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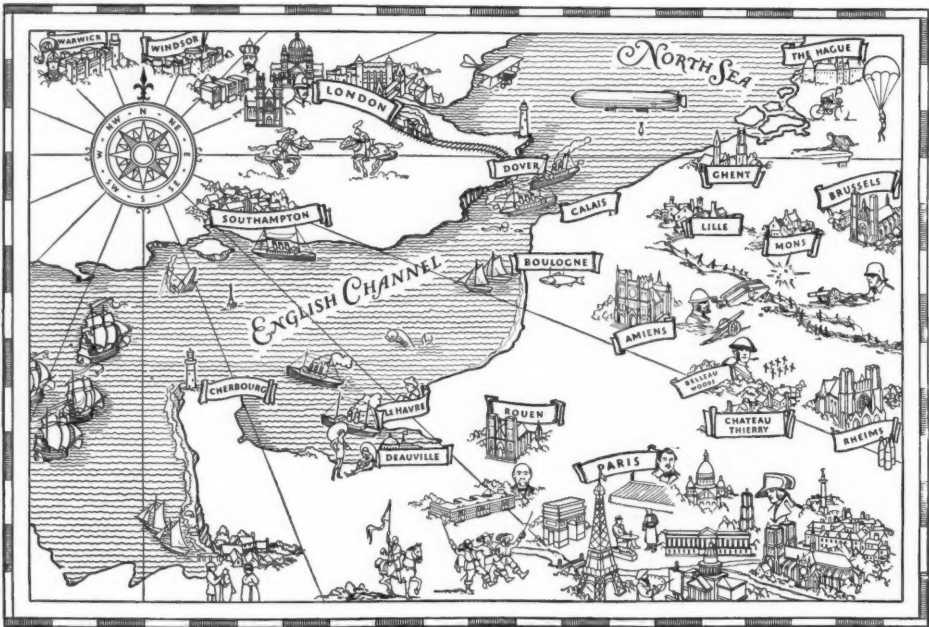
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CURRENT HISTORY

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Great Britain's Labor Strife

By RALSTON HAYDEN

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An economic calamity, with civil war, revolution and famine stalking in the background, fell upon Great Britain when at midnight on Monday, May 3, the general strike which has been recurrently threatened since 1919 became a reality. The paralysis of industrial life lasted until Wednesday, May 12, when the General Council of the Trade Union Congress, headed by Arthur Pugh, held an hour's conference with Prime Minister Baldwin at 10 Downing Street. On leaving there Mr. Pugh issued a signed statement that "in order to resume negotiations" the Trade Union Council had decided to terminate the general strike.

The general strike began with orders being issued to 1,405,000 skilled workmen by their unions to strike in support of the Miners' Federation of Great Britain in their controversy with the Coal Owners' Mining Association. Eight hundred thousand miners, who were later joined by 320,000 more, had ceased work on May 1 rather than accept the reduced wages and increased hours which the owners deemed necessary for the continued operation of the British coal mining industry. On the same day the Government was

authorized by Royal Proclamation to exercise the almost dictatorial powers provided by the Emergency Powers act of 1920, and proceeded to put into operation the elaborate organization which it had prepared to preserve the peace and carry on those services essential to the life and health of the nation. The Government's preparations proved adequate to these tasks. Despite the magnitude of the struggle, the bitter feelings which the controversy aroused and the presence of millions of unemployed men in the streets, the strike passed without any very serious disorder.

The train of events which led up to the general strike began early in August, 1925, when, to avert an immediate stoppage, Parliament voted to subsidize the mining industry sufficiently to prevent a reduction of wages before May 1, 1926. A Royal Commission then conducted an investigation and on March 10 recommended Government ownership of the mineral rights, thus transferring the royalties from private individuals to the State, and a general reorganization of the industry as the ultimate solution of the problems involved. The commission further declared that it was economically impossible to maintain the

existing wages during the period of reorganization and expressed the opinion that a reduction in wages was preferable to an increase in the hours of labor. The continuance of the subsidy after May 1 the commission declared to be "indefensible," and added that "it should stop at the end of the authorized term and should never be repeated." On March 24 the Government announced that it had decided to accept the report and to give it legislative effect provided the miners and the owners would agree to carry on the industry in accordance with its provisions. Two days later the operators and the unions reopened direct negotiations.

From the complex developments of the following month a number of outstanding points at issue between the miners, the owners and the Government appear. The shortness of the period before May 1 practically limited negotiations to the immediate problem of preventing a stoppage at that date. It also placed all the negotiators under a very serious nervous tension. At the outset the miners and the owners stubbornly disagreed as to whether wage agreements should be made on a national or a district scale. The issue was of vital importance not only to the miners, but to all of the other great unions, because it involved the future of the highly centralized organizations which have been built up in Great Britain to control labor as a single unit in each industry. Upon this point the owners eventually yielded. A second and more serious difference appeared on April 15 when the operators gave fifteen days' notice of the termination of the existing wage agreement. This act the unions resented as a threat of lockout. They declared that it made free negotiation practically impossible. On April 27 Stanley Baldwin, the Prime Minister, brought the two parties to a joint conference under his chairmanship, but was unable to affect an agreement there or during the three anxious days which followed. On April 30 the negotiations broke down when the miners refused the best terms which the Prime Minister could obtain from the owners. The latter proposed an increase in the working day from seven to eight hours and a decrease of 13 1-3 per cent. in the national minimum coal wage. The eight-hour

day was to be worked until 1929, when a commission of inquiry would ascertain whether the economic position of the industry would permit of a return to seven hours.

In reply to the message with which Mr. Baldwin submitted these terms the miners stated that they would not "accept a reduction in wages as a preliminary to the reorganization of the industry, but they reiterate that they will be prepared to give full consideration to all the difficulties connected with the industry when a scheme for such reorganization shall have been initiated by the Government."

MINERS' FINAL REFUSAL

With the final refusal of the miners to accept the terms of their employers all work in the coal pits ceased and the struggle in London entered a new and vastly more dangerous phase. On the evening of May 1 the Prime Minister was informed that "the Executive Committees of the trades unions affiliated with the Trades Union Congress, including the Miners' Federation of Great Britain, have decided to hand over to the General Council of the Trades Union Congress the conduct of the dispute, and the negotiations in connection with it will be undertaken by the General Council." Thus the Mining Association and the Government were told that thenceforth they must deal not with the miners alone but with the united force of organized labor in Great Britain. At about the same time a memorandum was issued by the General Council of the Congress calling a general strike of all workers connected with transport in case a settlement had not been reached by midnight on Monday, May 3.

A State of Emergency was thereupon declared by a proclamation issued by King George, which read as follows:

BY THE KING—A PROCLAMATION—GEORGE I. R.

Whereas, by the Emergency Powers act of 1920, it is enacted that if it appears to us that any action has been taken or is immediately threatened by any person or body of persons, of such nature and on so extensive a scale as to be calculated by interfering with the supply and distribution of food, water, fuel or light, or with the means of locomotion, to deprive the community of the essentials of life, we may by proclamation declare that such a state of emergency exists;

And whereas, the present, immediate threat of

cessation of work in the coal mines does, in our opinion, constitute a state of emergency within the meaning of the said act;

Now, therefore, in pursuance of the said act, we do, by and with the advice of our Privy Council, hereby declare that a state of emergency exists.

Given at our Court at Buckingham Palace this thirtieth day of April, in the year of our Lord 1926, and in the sixteenth year of our reign.

God save the King.

Thus on Saturday, May 1, work in the mines had ceased, the unions had called a general strike, the Government had assumed almost dictatorial powers under the Emergency act and the issue had been joined between the Trades Union Congress on the one hand and the mine owners and the Government on the other.

Despite these facts, Mr. Baldwin continued his efforts to prevent the threatened catastrophe. "The Government," he said, "wanted to get to the position where the Trades Union Council, on behalf of the miners, would say that they felt confident that, given a fortnight, a settlement would be arrived at on the basis of the report. At the last moment I and my colleagues, if we could have got that complete assurance, would have risked it; we would have asked for another fortnight [of the subsidy], and I think, if necessary, would have paid for another fortnight. But there was no good going on, with the experience we had had for the past fortnight, in any negotiations unless we could have some assurance that there was a reasonable hope of success."

NEGOTIATIONS BROKEN OFF

On Sunday night, May 2, while discussions were still in progress, the Prime Minister learned that union printers had refused to allow the appearance of an edition of *The Daily Mail* which contained an editorial which was headed "For King and Country" and which included the statement that no civilized Government would permit a general strike. "Such actions as that," Mr. Baldwin told a hushed House of Commons on the following (Monday) night, just before the general strike became effective, "coupled with the notice that we had had of instructions sent out by representative leaders of the unions—instructions which the men could only carry out in many cases by breaking their contracts—made me realize that I had got to the point where it

would be impossible for the Government—or for me to persuade the Government—to pursue these negotiations any further." Mr. Baldwin continued:

Stripped of all accessories, what was the position in which the Government found itself? It found itself challenged with an alternative government and a government ignorant of the way in which its commands were being carried out and incapable of arresting disobedience to them.

* * * The miners have a dispute with the mine owners and the owners offer terms of pay and work which are rejected. The men refuse to accept either a minute extra or a penny off. They attempt to throw on the State the burden of maintaining the industry at a loss. The Trades Unions executives, through their council, have put all their resources at the disposal of the miners. * * * When you extend an ordinary trade dispute in this way from one industry to a score of the most vital industries in the country, you are changing its character. * * * I do not think that all the leaders who assented to the order for a general strike fully realized that they were threatening the basis of ordered government and coming nearer to proclaiming civil war than we have been for centuries past. * * * I tried to cooperate with Mr. Pugh and his colleagues in the search for an agreement to the last possible minute, but I became convinced last night that Mr. Pugh and those with him who sought for peace were not in control of the situation and that it would be wrong and dangerous for the Government to continue talking unless we got an immediate and unconditional withdrawal of instructions for the general strike.

Declaring that no general attack on wages was in the air, Mr. Baldwin went on to say:

It is not wages that are imperiled; it is the freedom of our very Constitution; but I have confidence in the character of our people that we will see these troubles through. I can call to mind the observation of the late Minister of Labor, only two years ago, when he was asked whether the Government would give full protection to the men who worked during these disputes, and he said: "Yes, undoubtedly the Government will do all it possibly can to maintain the public utilities." I re-echo his words and I say no man who remains at work shall be prejudicially affected afterward.

In the absence of Ramsay MacDonald, leader of the Parliamentary Labor Party, who was ill, the official reply for the party to the Prime Minister's statement of the situation was made by J. H. Thomas, Secretary of the Railwaymen's Union, Colonial

Secretary in the Labor Government, and one of the principals in the unsuccessful efforts to avert the strike. He declared: "We believe this course was taken, not by anti-patriots, not by people who wanted revolution, not by people who do not love their country, not by people who desired an upheaval. * * * There are people on both sides who do not weigh the consequences. I do not disguise that on the Labor side there are people who would like and welcome this day, but they are an insignificant minority." "The meanest part of this business," Mr. Thomas said, "was that the coal owners and the Government said to the miners, 'We want you to say that when you come to discuss this report you will agree in advance to a reduction in wages.' * * * The miners' leaders said: 'No; that is unfair; that is not what we want. Give us a chance to discuss the whole situation.'"

Mr. Thomas also drew a very grave picture of the terrible consequences which were within the range of possibility should there be a prolonged continuation of the strike. "I do not believe," he declared, "in spite of all the talk of revolution, that if a ballot were taken in this whole country 2 per cent. of the people would vote for revolution. I believe that it would be less than that, but he would be a blind fool who could not see that these people may be driven into circumstances that may have all that effect, but with an entirely different object." Mr. Thomas added that the strike was not revolution, but, "merely a plain economic-industrial dispute where the worker says he wants justice. But I do not disguise that in its result it may have that effect which you and I dread."

HOW THE STRIKE BEGAN

Considerable light was thrown on how the strike was brought about during the debate in the House of Commons on Wednesday (May 5), when Lord Hugh Cecil began by making the following remarks:

It is not legitimate to inflict all the sufferings of a general strike on the community. The general strike is a menace to the authority of Parliament. It is an attack on the State, not a step in a trade dispute. It is for that reason it seems to us unreasonable that the general strike is not to be withdrawn except upon settlement of a

trade dispute. The stopping of The Daily Mail was a most astonishing thing. It was an extremely significant thing, because it seems to be impossible to work it into any end except a revolutionary end. Mr. Thomas and his right honorable friends were in close touch with the miners' point of view. If they had a formula why didn't they go to the Prime Minister and say: "We have got a formula. This will satisfy the miners. What have you to say about it?" The door was never shut.

To this J. H. Thomas replied:

At 11 o'clock on Sunday night we had no formula but the Prime Minister's own words in writing. The Trades Union Council not only accepted it but said they would take the responsibility of telling the miners that they had accepted it. The words which the Prime Minister himself had written down as being a common basis of settlement [cries of "What were they?"]—We knew nothing about The Daily Mail incident. When the interests of the country were at stake the incident of The Daily Mail ought not to have prevented us from coming to an agreement.

Mr. Baldwin (who had entered the House while Mr. Thomas was speaking, but after the latter's reference to Sunday night) then made the following statement:

What I and those of my colleagues who were negotiating with me were endeavoring to do was to get an assurance from the Trades Union Council that they felt confident, or some equivalent of the word, that a settlement would be arrived at on the lines of the report [of the Royal Coal Commission] that meant acceptance of the report.

I am honestly not very clear whether or not it was said that evening that those who were speaking to me and my colleagues were satisfied about that. What I was clear about was that they were going to see the miners on the subject and to see if they could get such assurance so that they could say to me that the miners as well as the Trades Union Council could give such assurance, because acceptance of the Council without the miners would not have been a sufficient guarantee for the Government, because the Council were not plenipotentiaries: they were acting for the miners.

They went to see the miners at about 11 o'clock. I was in a position of great anxiety negotiating, as I told the House on Monday, under threat. I doubted whether it was wise, but ran the risk in view of the gravity of the situation.

It was while the Trades Union Council were seeing the miners and while I and my colleagues were explaining to the Cabinet what we hoped for that we learned by telephone that the first active overt move in the great strike was being actually made of trying to suppress the press. We felt that in those cases the whole situation was completely changed. We felt that this was more

than a threat; it was direct action, and direct action, in my view, of the worst kind, because it was trying to suppress the possibility of the dissemination of news to the public. In those cases, with infinite regret, we had to take a stand; we could go no further. What Mr. Thomas has said has confirmed the view that there was every hope of an agreement being reached which would have enabled us to continue the discussions at 11 o'clock had it not been for that declaration of an urgent strike.

Ramsay MacDonald, following the Prime Minister, said:

So far as it was reported to me immediately afterward, the statement made by the Prime Minister is perfectly accurate, and that, to me, is the sorrow of the whole thing. The Prime Minister knew what the mind of the representatives of the Trades Union Council was. He also knew that at the moment those representatives were in consultation with the miner's executive. Then came The Daily Mail incident. Never was the question put to those people: "Do you know anything about this? Are you responsible for this? What action do you propose to take about it?" No approach of any kind was made to them, but while they were working out this formula, hammering out, if they could, a settlement, a letter was received that the negotiations were at an end. When the consternation at receipt of this letter was over a deputation went to the room where the Government representatives were to ask what all this was about and to explain the whole situation to them, but when the deputation arrived at that room they found the door locked and the whole place in darkness.

On a motion for adjournment of the House Mr. Baldwin made the following statement in answer to the portion of J. H. Thomas's speech earlier in the evening which he had not heard at the time he made his first reply:

It is incorrect as to the final negotiations between the representatives of the Government and the Trades Union Council. The Trades Union Council representatives were not acting as plenipotentiaries, but as friends of the parties, and they could not make a conclusive bargain without the assent of the miners. The impression I and my colleagues formed of the meeting was reduced to the following formula, reached in the early hours of Sunday morning:

"The Prime Minister is satisfied, as the result of the conversations he has had with the representatives of the Trades Union Council, that if the negotiations are continued, it being understood that the notices cease to operate, the representatives of the Trades Union Council are confi-

dent that a settlement can be reached on the lines of the report within a fortnight."

These words were to be brought on my part before the Cabinet and by the gentlemen who met with me before the miners and discussed with them and reported to the Government. They hoped to be able to let us know by noon on Sunday, or a little later. It was necessary to get in touch with the miners' executive, who, with the exception of Mr. Cook, had left London.

I never impugned for a moment the good faith of those who were negotiating with the Government. It was not until about 10 o'clock that the miners' agents were all back in London, having been telegraphed for. It was 9 o'clock Sunday evening before the negotiations were resumed with the Trades Union Council. When we met Mr. Pugh informed us that he and his colleagues accepted the substance of the formula, but they desired to know the meaning of the phrase "confident that a settlement would be reached."

After prolonged discussion it was manifest that the uttermost point to which the representative with whom we were discussing could go was indicated in the formula which was written down by Lord Birkenhead. I myself wrote nothing down from the first moment until the last. I do not complain of mistakes being made in the recollection of details. We had all been working long hours on end. The formula which I am now alluding to was as follows:

"We would urge the miners to authorize us to enter upon discussion with the understanding that they and we accept the report as a basis of settlement and we approach it with the knowledge that it may involve some reduction of wages."

It was impossible to say what chance the second formula had of acceptance, but when the Government got to know that a general strike had begun by an attack on the press in The Daily Mail office they felt they had reached the point when it was impossible for them, or any other Government in like circumstances, to make any progress.

Therefore, the Government in its letter to the Trades Union Council insisted that there must be repudiation of this act and immediate withdrawal of the general strike. That was not done. Until the general strike was out of the way all progress was blocked, and blocked completely.

DECLARATION OF THE TWO SIDES

Immediately after the breakdown of negotiations the Government issued the following statement on May 2:

His Majesty's Government believe that no solution of the difficulties in the coal industry which is both practicable and honorable can be reached except by sincere acceptance of the Coal Commission's report.

In the expression "acceptance of the report"

are included both reorganization of the coal industry, which should be put in hand immediately, and, pending the results of the reorganization being attained, such interim adjustment of wages or hours of work as will make it economically possible to carry on the industry in the meantime.

If the miners, or Trades Union Committee on their behalf, were prepared to say plainly that they accept this proposal the Government would be ready to resume negotiations and continue the subsidy for a fortnight.

But since the negotiations which have taken place between the Ministers and members of the Trades Union Congress, it has come to the knowledge of the Government not only that specific instructions have been sent (under the authority of the executive of the trade unions represented at the conference convened by the Council of the Trades Union Congress) directing their members in several of the most vital industries of the country to carry out a general strike on Tuesday next, but that overt acts have already taken place, including gross interference with the freedom of the press.

Such action involves a challenge to the constitutional rights and freedom of the nation.

His Majesty's Government, therefore, before they can continue the negotiations, must require from the Trades Union Committee both a repudiation of the actions referred to that have already taken place and immediate and unconditional withdrawal of the instructions for a general strike.

In reply to this official Government statement the Negotiating Committee of the Trades Union Council sent the following letter to Mr. Baldwin the following morning (May 3):

Your letter announcing the Government's decision to terminate the discussion, was received by the General Council with surprise and regret. The negotiations, which had taken place between the Industrial Committee of the General Council and its representatives had been adjourned for a brief period in order to allow the Industrial Committee to confer with the full General Council and representatives of the Miners' Federation who were on your premises in order to advance full efforts which the Industrial Committee had persistently been making to accomplish a speedy and honorable settlement of the mining dispute.

The trades union representatives were astounded to learn that, without any warning, renewed conversations, which it was hoped might pave the way to an opening up of full and unfettered negotiations, had been abruptly terminated by the Government for the reasons stated in your communication.

The first reason given is that specific instructions had been sent under the authority of the trades union representatives, directing these mem-

bers in several industries and services to cease work. We are directed to remind you that it is nothing unusual for workmen to cease work in advance under the circumstances as wage earners. And the specific reason for the decision in this case is to secure for the workers the same right as the employers insist upon with their workers—namely, that negotiations shall be conducted free from an atmosphere of strike or lockout. This is the principle which the Government have held to be cardinal in the conduct of negotiations.

With regard to the second reason that overt acts had already taken place, including those in interference with the freedom of the press, it is regretted that no specific action is contained in your letter.

The General Council had no knowledge of such acts having occurred and the decisions taken by them definitely forbid any such independent and unauthorized action. The council is not aware of the circumstances under which the alleged acts have taken place. It cannot accept any responsibility and is taking prompt measures to prevent any acts of indiscipline.

The Council regrets it was not given an opportunity of investigating and dealing with the alleged incidents before the Government made them an excuse of breaking off peace discussions, which were proceeding.

The public will judge the nature of the Government's intention by its precipitate and calamitous decision in this matter and will deplore with the General Council that the sincere work which the General Council has been engaged in to obtain an honorable settlement has been wrecked by the Government's unprecedented ultimatum.

SPECIAL CONSTABLES ENROLLED

Between Monday midnight, when the general strike began, and Tuesday, May 11, the Government and the unions strove to strengthen their respective positions, while the great British public attempted to carry on its everyday tasks in as normal a fashion as was possible. Under the supervision of the Home Secretary, Sir William Joynson-Hicks, a die-hard Tory, and the immediate direction of Sir William Mitchell-Thompson, the Postmaster General, the Government enrolled up to May 7 250,000 special constables, moved troops and warships to critical points, provided for the distribution of the necessities of life, and coordinated the work of hundreds of thousands of volunteers who sought to keep moving the complex machinery upon which life in a modern industrial country depends. Late on Tuesday (May 4) the

Government succeeded in distributing the first issue of *The British Gazette*, a small newspaper devoted chiefly to news of the strike and to statements by officials. A few other papers were able to publish single sheet editions during the week. The radio, the airplane, and vast numbers of motor vehicles were brought into play to defeat the unions' attempt to tie up transportation and prevent the dissemination of news. From the start the Government declined to accept union cooperation in the operation of food trains and trucks, taking the position that it could not allow itself to be put in the position of assisting to perform such functions upon the sufferance and good will of a rival power within the State. On Friday night (May 7) at Hull and elsewhere occurred the first union attacks upon men attempting to distribute the necessities of life.

APPEAL TO THE PEOPLE

On Wednesday (May 5) the Prime Minister issued the following appeal to the British people:

Constitutional Government is being attacked. Let all good citizens whose livelihood and labor have thus been put in peril bear with fortitude and patience the hardships with which they have been so suddenly confronted. Stand behind the Government, who are doing their part, confident that you will cooperate in the measures which they have undertaken to preserve the liberties and privileges of these islands.

The laws of England are the people's birth-right. The laws are in your keeping. You have made Parliament their guardian. The general strike is a challenge to Parliament, and is the road to anarchy and ruin.

In a statement published in the May 9 issue of *The British Gazette*, the Earl of Balfour likewise maintained that

neither in fact nor * * * in law is the course advocated by the trades unions a strike in the proper sense of the term. It is * * * an attempted revolution. Were it to succeed, the community would henceforth be ruled not by Parliament, not by the Parliamentary Labor Party, not by the rank and file of the trade unions, not by the moderate members of the Trade Union Council, but by a relatively small body of extremists who regard the trades unions not as the machinery for collective bargaining within our industrial system, but as a political instrument by which the industrial system itself may be utterly destroyed.

That "the challenge which has now been thrown down and taken up is of a totally different kind" from ordinary industrial strikes or lockouts was also emphasized in a message contributed to *The British Gazette* of May 7 by Lord Oxford and Asquith.

On the other hand, the labor leaders persistently maintained that the general strike that has been called was a purely industrial movement, and they strenuously objected to all allegations regarding its anti-constitutional or revolutionary implications. Replying, in particular, to the Prime Minister's appeal quoted above, Mr. Ramsay MacDonald stated on May 7:

This strike is in no way aimed against the Government or the Constitution, and that has been repeated again and again by the men in control of it. It is purely an industrial dispute. I hope that the people in foreign countries will not be misled and that the constitutional traditions of my country will not be damaged by Government propaganda.

While proclaiming that "no Government in any circumstances could ever yield to a general strike," Premier Baldwin declared in his speech in the House of Commons on May 5 that "the moment it is officially and unconditionally called off the Government are prepared to resume negotiations." To this the General Council of the Trades Union Congress replied as follows in its emergency organ, *The British Worker*, of May 6:

The General Council is ready at any moment to resume negotiations for an honorable settlement. It enforces no conditions for resuming a preliminary discussion with the Government on any aspects of the case.

It is obvious, however, that at this stage, with no knowledge of the subsequent line of policy that the Government intends to pursue, the General Council cannot comply with the Prime Minister's request for unconditional withdrawal of the strike notices. The General Council, it must be remembered, was not responsible for the breakdown in the negotiations. The strike was due to the Government's refusal to secure withdrawal of the lockout notices in the mining industry and to its action in provocatively taking the side of the coal owners and in breaking off negotiations at a time when the General Council was sincerely seeking a peaceful settlement.

The conditions that govern the reopening of the discussion should be different from the conditions

governing the withdrawal of notices for the general strike; and inasmuch as the Government was responsible for the breaking off of negotiations, any preliminary parleys with a view to discovering a basis upon which the negotiations might be renewed and the withdrawal of the general strike notices subsequently considered, can only be undertaken in a free and unfettered atmosphere.

The General Council of the Trades Union Congress, while ready at any moment to resume negotiations for an honorable settlement, gives an unqualified "No" to the Premier's request for unconditional withdrawal of the strike notices.

Notwithstanding the apparently unpromising declarations of the two parties to the conflict, evidence of an endeavor to put an end to the struggle by agreement developed during the week-end. Informal conversations were reported under way on May 10, with a view to finding a satisfactory formula, and the name of Sir Herbert Samuel, Chairman of the Coal Commission, was prominently mentioned in connection with those developments. On the following day Sir John Simon stated in the House of Commons that the Liberal Party would submit at an early date a resolution which might pave the way for peace. A meeting of the Trade Union Council was held on the night of May 11, to "explore the position with a view to leaving no door shut that could be opened." The meeting was attended by J. H. Thomas and by Ramsay MacDonald, and the latter, in particular, was reported to be active in behalf of conciliation.

The following day (May 12) at noon the General Council of the Trade Union Congress called on the Prime Minister at his official residence in Downing Street and conferred with him for an hour. Arthur Pugh, the Chairman of the Trade Union Council, announced that the general strike had been terminated in the following signed statement: "In order to resume negotiations the General Council of the Trade Union Congress decided to terminate the general strike today and telegrams of instruction are being sent to all affiliated

unions. Members before acting must await definite instructions from their own executive councils."

Sir Herbert Samuel, who, as Chairman of the Royal Commission, was the natural mediator in the settlement of the strike, subsequently issued a memorandum, which the General Council of the Trade Union Congress accepted as a basis for calling off the general strike, and resuming negotiations on the coal controversy. The memorandum contained the following points:

1. The coal subsidy is to be renewed for such reasonable time as may be required.

2. The creation of a national wages board, including representatives of the miners, mine owners and neutrals, with an independent chairman to revise the miners' wages.

3. It is understood that there shall be no revision of the previous wages without sufficient assurances that reorganization of the coal industry as proposed by the Royal Commission shall be executed.

4. A committee is to be named by the Government with representation for the miners, which shall prepare legislative and executive measures necessary to effect the reconstruction of the coal industry.

The memorandum suggested that the revised wage scale be on simpler lines, if possible, than the old ones, and that they shall not adversely affect the wages of the lowest paid men. It also suggested measures to prevent the recruitment of new workers over 18 years of age into the industry, if unemployed miners were available, and provided that workers displaced by the closing of the uneconomic collieries shall be transferred, with Government assistance, as recommended by the Royal Commission.

It was estimated that 250,000 men would be displaced in the mining industry by execution of the plans for complete reorganization of the industry.



Europe's Struggle for Peace and Freedom

By WILLIAM E. LINGELBACH

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POST-WAR Europe presents many extremely complicated situations. Serious students of international affairs are perplexed and baffled by contradictory tendencies and forces which somehow fail to fit in with past experience; paradoxes that cannot be solved by the postulates and axioms of pre-war days. Added to the difficulties inherent in the problems themselves there is the fact that the average American in Europe is apt to have a decided superiority complex, especially when he compares or contrasts European countries with his own. Nations are not as a rule overmodest as to their national achievements, and we are no exception in this respect. Besides, in becoming the creditor people of the world we have almost inevitably acquired a sort of creditor psychology.

From the point of view of our better understanding Europe, or of their understanding us, this is particularly unfortunate at this time. The wounds of the war are still raw, and Europe is hypersensitive. Resentful of our critical and, at times, superior attitude, Europeans are very apt to retort by pointing to our liquor legislation, which they do not understand, to our reported disrespect for law, to our camouflaged imperialism, and especially to our insistence on the terms of the bond in the matter of the debts. They remind themselves of how we insisted on a League of Nations, forced it on them and then repudiated it, leaving the infant on Europe's doorstep. On our part we find it hard to understand how, after the cordial cooperation and mutual self-sacrifice of the war, the most unfair and maliciously hostile propaganda against us finds such ready acceptance. In other words, our actions and policies seem as illogical and queer to them as theirs often do to us. We do not see things from the same point of view. Like the youthful city reporter and the old native of Cape Cod we remain at cross

purposes. Sent by his senior editor to get a story and 'write up' the fisher folk the reporter one day remarked to a retired captain, "There certainly are many queer people in this place." "Yes," replied the captain, "August and September always bring down a good many!" Even so august a body as our Senate is sometimes affected in this way. I once heard an eminent scholar complain that the members of the Senatorial commission, with whom he had the pleasure of returning from Europe, were quite convinced that, if given six months, they could settle the whole Irish question.

There are many Americans at home and abroad in this frame of mind. Convinced that most of Europe's ills are of her own making and easy to remedy, they fail to see how deeply rooted in the past they often are. They grow impatient with the statesmen of the Old World, and like the Pharisees they lift up their skirts and pass by on the other side, forgetting that the parable of the Good Samaritan is as applicable today as it was 2,000 years ago. Why, they ask, does not Briand stop the leakage in the income tax returns? Why does he not make French agriculture pay its proportionate share of taxation, balance the budget and come to an adjustment on the debt? These people plainly do not know the French peasant, or appreciate the fact that he is just as averse to paying taxes as we are; that he is politically so well organized and represented in Parliament that no Ministry can get on without his support. Our much-discussed farm bloc a few years ago was a babe in the woods by comparison. Such people are equally confident that the doles problem could be readily solved, that there is an obvious explanation of Bolshevism, that Fascism is a passing and unimportant development, and that now that the security pacts are made, disarmament will progress rapidly.

Macaulay says somewhere, "He alone

reads history aright who, observing how powerfully circumstances influence the feeling and opinion of men, how vices pass into virtues and paradoxes into axioms, learns to distinguish what is accidental and transitory in human nature from what is essential and immutable." It is not easy to grasp fundamentals in a situation with so many paradoxes as that of present-day Europe.

Nevertheless certain large events and movements of the post-war years stand out clearly as of basic significance. Kaisers and Czars have gone, and with them a host of little princes. Of the so-called great powers only two retain their kings, and in these the titular sovereign hardly rates with the extraordinary personalities like Mussolini and others which democracy has raised to leadership. Government is in the hands of the people, and monarchical Europe has become republicanized. In harmony with this there is also the enfranchisement of women and the enlargement of the suffrage for men in many countries.

DRASTIC LEVELING PROCESS

In the economic and social life of Europe a wholesale redistribution of wealth has occurred as a result of the inflation in different countries; entire classes of the community who were in good circumstances before the war have lost everything, while others have become wealthy. For better or for worse, it is one of the most drastic leveling processes that European society has undergone. Equally basic in its bearing on the future of Europe is the transformation of millions of agricultural laborers into peasant proprietors, and the increase of the holdings, or acreage, of millions of others. Taken in connection with the redistribution of wealth which has affected all classes, it represents a social and economic revolution in the countries concerned of the most far-reaching consequences. Again, in practically every country legislators of recent years have given special attention to education, excellent modern school codes have been adopted and in many instances put into effect despite the weakness of the national finances. New and up-to-date schools are being erected, and particular

attention is being given to the training of teachers.

Closely allied with this are the great strides made in the direction of international cooperation. Whether we believe in the League of Nations at Geneva or not, its very existence is proving a tremendous stimulus to an international attitude of mind. People and leaders in every country of Europe look to it for guidance in the serious problems which confront them, and the habit of approaching these matters from a larger point of view is being formed. The importance of this cannot easily be overestimated, for when we turn from these more hopeful signs of improvement in Europe, the situation presents perplexities and difficulties that are extremely discouraging. Pathological conditions appear everywhere, which call for expert study and diagnosis and the application of wise remedies, if they are not to affect the entire body politic of the old world. In some cases they are like dragon's teeth ready to spring to life among the strange contradictions and paradoxes of reconstructed Europe.

First among the many paradoxes is the multiplication of small States, the Balkanizing of Europe. Before the war it had practically been accepted as an axiom that progress lay in the establishment of larger economic units. Yet in response to the pressure of nationalism this principle was ignored and eight new States were created. Each one of them is invested with sovereign rights which it guards with jealous care; each sets up high tariffs against its neighbors and each, no matter how small, feels it a sacred duty to be fully armed against its neighbors.

A more striking paradox, one which challenges explanation because of its contradictions, is the difference in the economic and financial conditions that prevail on the two sides of the Channel, that narrow strip of water less than twenty miles in width at the Dover-Calais crossing. On the English side there is economic depression, industries are on part time, great shipyards are idle, there is unemployment on a vast scale, nearly a million workers are on Government doles and there is widespread discontent. But in spite of it the pound sterling is at par, the budget is balanced,

the national credit is good and the debt question is squarely met. On the French side there is unprecedented economic activity, agriculture is prosperous after five successive years of good harvests, industry is working to capacity, there is not only no unemployment but there is steady importation of labor from Italy and Poland. And yet the budget has been balanced only after prolonged and costly effort, and now mainly on paper, the franc is at less than one-fifth its face value, the national credit is bad and eight years after the war the debt question has not been settled. South of the Channel a nation economically prosperous and solvent but financially almost bankrupt; to the north a nation financially solvent but economically in dire straits.

FRENCH TAXATION PROBLEM

I am aware that there are explanations like the claim that with an inflated currency there is fictitious business prosperity and that the devastation of the war fell most heavily on France. But the fact remains that there are other and more fundamental reasons, one obvious one being that in a country 50 per cent. of whose wealth is in agriculture the agrarian interests will not pay their share of the taxes. When M. Briand took over the reins of government many of the best thinkers on economic questions in France hoped for a tax program that would rally the patriotism of the nation to its support. One of them told me on the eve of the presentation of Loucheur's program: "Now we will have a policy of *courage*." But even Loucheur did not have the courage. When his plan was announced, the project for a reassessment of agricultural values and the correction of the leakage in income tax returns were absent.

Passing to the other extreme of Europe, the Near East, the student of history and of current events is confronted by another series of paradoxes. Why after the defeat of the Turk, his expulsion from Europe and the internationalization of Constantinople and the Straits, do we find him again re-established and entrenched there? Even Adrianople has been restored to his possession. Why of all the defeated powers was this alien in Europe alone capable of defying the Allies and of tearing up that

part of the Paris treaties which applied to him? Perhaps it should have been torn up. I am not discussing the question whether the Turk has a right to rule in Constantinople. I am merely drawing attention to the fact that after being kicked out of Europe "bag and baggage," to use Gladstone's phrase, we find him again in full possession of this wonderful city, rich as Rome itself in tradition and history. Her massive basilicas of Byzantine days continue to be the mosques of an alien faith, and the graceful white minarets, like moslem sentinels, still stand guard at the portals of these early Christian churches. On the heights of Pera the huge, rugged tower of the Genoese, emblem of the commercial spirit of Western Europe, of crusading days, overlooks the deep blue waters of the Bosphorus and of the Golden Horn, where even now, despite the general paralysis of the trade of the Black Sea basin, lie hundreds of ships laden with the commerce of the world. Constantinople is at the intersection of the land route from Europe to Asia and of the water route from Southern Russia and the Danube to the Mediterranean. It is one of the most strategically located cities of the world. Its importance can hardly be overestimated. Yet the rivalry and supineness of the great powers have again turned it over to the Turk. How the "immutable" forces of geography and history will ultimately dispose of it is interesting food for speculation. In the meantime a new Turkey, as far removed from the old Turkey as one can well imagine, is in the making.

Under the leadership of Mustapha Kemal Pasha the Turkish Nationalists proclaimed a republic, set up their capital at Angora in the interior of Asia Minor, adopted a modern Constitution and replaced the name "Ottoman Empire" by that of "Turkey." They abolished the Sultanate, and in 1924 ventured the bold step of destroying the age-old institution of the Caliphate of Islam, sacred in the eyes of the Mohammedan world. This was followed by the abolition of the Sheriat, or body of religious laws, and the secularizing and nationalizing of education.

"Religious studies must be removed from the schools altogether; religious education must be left to the home." "We

are in a stage of nationalism," said the Minister of Education, Samiet Refat, in 1923. "Our educational aim will be humanitarian but at the same time very nationalistic. Its basis can be summed up in two words, national culture and modernized teaching. * * *"

CHANGES IN TURKEY

In harmony with this spirit of nationalism, foreign schools like Robert College are obliged to devote an unusual amount of time each week to the Turkish language, the Government authorities seeing to it that the work is seriously done. Foreign textbooks in history, for example, are carefully scrutinized and if the old hostility to Turkey appears too strong they are suppressed unless author and publisher agree to a revision. Woman is being emancipated; the harem and the veil are gone, as have the red fez and wide trousers of the men—all abolished by law. Much of the color and mystery of the streets of Constantinople have been destroyed, and there is much grumbling beneath the surface, but the Government rules with a hand of iron. Further, the European system of reckoning the day from midnight instead of from sunset, and the years from the birth of Christ instead of from the flight of Mohammed from Mecca in 622 have been adopted. New codes based on those of Western Europe have been set up. The Civil Code is virtually that of Switzerland, the Commercial Code is drawn directly from the German and the Penal Code from the Italian. All this is in line with a vigorous policy for the promotion of industry, trade and agriculture. Burdensome and obnoxious taxes like the 12 per cent. agricultural tithe have been replaced by a modern sales tax, and Government aids to agriculture, industry and commerce on a costly scale are granted. To any one familiar with the Turkish system it is clear that this means a complete revolution in the social and economic life of the people.

While at Constantinople I came in contact with another strange paradox of post-war days in the pitiful state of the Russian refugees and exiles. They are the intelligentsia, the aristocracy and the best of the middle class of Russia. Ten years ago

they were still rich and powerful. Now they are without a country, wretched and in poverty. Can there be anything more paradoxical than a sleeping-car porter with the manners and the air of a Russian Grand Duke? Mine had been a Colonel in the Czarist army and a wealthy landowner. Scores of such paradoxes could be cited. In every capital of Europe—in Constantinople, in Sofia, in Belgrade, in Prague, Warsaw, Rome, Berlin and Paris—these numerous unhappy people without a country are struggling against a cruel fate, while their native land is in the hands of the Bolsheviks.

To some Bolshevism is not a paradox. It is the natural result, the logical outcome, of autocracy and Czarist despotism in a country with a population still largely illiterate. To the serious student, however, Bolshevism after nine years of Soviet rule continues to be very much of an enigma. We know too little of this extraordinary experiment on the eastern confines of Europe which is attempting to establish economic democracy on the ruins of political democracy.

For the time being the despotism of the minority rules supreme, political democracy is trampled under foot and the hierarchy of Soviets is so well organized that any assertion of the will of the people against it is impossible. Certain tendencies are, however, manifesting themselves. Among them not the least interesting is the return to the recognition of property and a drift toward a capitalistic State of a new type. On leaving Tchitcherin last Autumn a well-known French journalist asked him this significant question: "If in ten years from now you become the great capitalistic State and we the radical, will you recognize us?"

But the paradoxes of Western Europe are quite numerous enough without looking for them in Russia. Why, after a war in which so much emphasis was laid upon "the removal so far as possible of economic barriers," are there now many more such restrictions and obstacles? According to the League of Nations' Danube Commission there are at present *six* tariff and police jurisdictions on the Danube between Linz and the Rumanian frontier where formerly there was only *one*. The

succession States of the Austrian Empire enjoyed freedom of trade among themselves; today each has its tariff walls erected against its neighbors. The Irish Free State has a tariff not only against Great Britain, but it also maintains a vigorous tariff wall against Ulster.

Where a country is sufficiently strong she forces her products on others, as in the case of France and Norway. The Norwegians have prohibited all alcoholic drinks save light wines and beers. When the commercial treaties with France came up for discussion, Norway was told that in return for the purchase of her fish by France she must import French cognac despite her prohibition. Every year she must take 400,000 litres of French cognac containing about 40 per cent alcohol. Similar arrangement had to be made with other countries, especially with Spain and Portugal, with the result that good-will is undermined, and incidentally huge supplies of good cognac and other strong liquors are being imported and stored by the Government despite the fact that they are prohibited by law. Of course, the Norwegians see the paradox. Last Summer an interpellation in Parliament on the foreign liquor supply brought out the fact that a proposal to re-export it had met with a stiff reprimand from France. The cognac, it said, was for Norwegian consumption. The proposal of a Communist Deputy to pour it into the street also called out a diplomatic protest.

NEW RACE IN ARMAMENTS

Why after a war to end militarism should the race in armaments be on again? Impoverished as she is, Poland spends 40 per cent. of her annual budget on military matters as against about one-tenth on education. Taken as a whole the military budget of Western Europe is as great as it was before the war, despite the disarming of Germany and her allies, and the military establishments of today have a vastly greater range and power for destruction. Before 1914, only Mr. Wells dreamed of the great bombing planes which constitute the chief offense of post-war armies. But even he, in his wildest fancy, failed to see the terrible possibilities of chemical and bacteriological warfare. Perhaps some prog-

ress has been made by the acceptance of the principle that disarmament depends directly on security and that the discussion of the two questions must go hand in hand.

On the question of imperialism and the treatment of minorities, it is difficult to reconcile the policy toward the Tyrol and other small groups with the denunciation of the treatment accorded the Slavic population by Austria-Hungary. Nor does the bitterness of the Croats against Serb domination from Belgrade speak strongly for the new order. Perhaps the project of a federation will solve the problems of the small Balkan nationalities. The events of the last year in Mosul, Syria and Morocco furnished conspicuous examples of a post-war type of imperialism roundly denounced during the war. Why after our criticism of economic imperialism should we be confronted by a powerful tendency toward economic monopolies under political auspices? "More and more," said a representative of the British Labor Party during a visit to this country recently, "the Governments of our time will enter the market as buyers of the great staple commodities." The late difficulties between Mr. Hoover and our English friends over rubber were brought about by the application of precisely this principle to that commodity.

But by far the greatest of the post-war paradoxes after a war to make the world safe for democracy is the drift toward autocracy and despotism in government. During the war we rid the world of the Hohenzollerns, the Habsburgs and the Romanovs. They are gone. Some of the things they stood for, however, are reappearing. At Rome, Madrid, Budapest, Athens, Constantinople and Moscow despotism and autocracy are in control. Mussolini and Fascism seem to be as arbitrary and despotic as the Czars. General de Rivera has brushed aside all parliamentary government in Spain; Pangalos in Greece, like Kemal Pasha in Turkey, rules by force, while the Bolsheviki openly boast that they count on the organized minority of about 600,000 to maintain their rule over Russia's population of over one hundred and twenty-five millions. In all these nations political liberty is crushed. Tolerance

tion has been cast to the winds. Nor is it confined to these countries.

Fascism in some of its manifestations may be unique with Italy, but in principle it is neither new nor Italian. In one form or another it is appearing in at least half the world, and throughout the rest, to quote a recent writer, "it is the envy of all Tories." In every country of Europe, and according to some even in our own, there are strong tendencies in this direction. Writing of America a short time ago Hilaire Belloc said: "The American people of today differ from the European of today in this; that they have retained in a very large degree the institutions of monarchy and are daily increasing it." Of course, we don't agree, but it is an interesting comment by a shrewd observer on the extension of absolute tendencies even in America. While in France during January I frequently heard men express the wish that a strong man might arise who with a directory would assume control, ignore the factions of the Chamber and restore order in the national finances.

MEANING OF FASCISM

When the workmen of North Italy seized the factories, the agricultural laborers of the south seized the land, and Giolitti's Socialist Government failed to suppress them, all the big interests in industry and finance, the wealthy landholders, and even the bureaucracy, discovered in the extreme nationalistic Fascisti the instrument forged to their purpose. They hailed Mussolini and Fascism, with its strong appeal to patriotism, to youth and to action, as the instrument for the assertion of order, authority and a measure of economic prosperity.

Into the political philosophy which the Fascists have developed in support of their system I cannot enter. In general it asserts the claims of society over those of the individual, of national economic progress over those of liberalism and mere political liberty. Fascism, it is announced, is a system, a State—not a party. If, like Bolshevism, it rests its rule largely on force, the excuse made is that it has saved Italy from anarchy and that such an end justifies the means. Besides, say the apostles of Fascism, "What is freedom?

No two generations agree or define it alike. Even our dictionaries differ widely in their definitions." An eminent scientist, writing on the subject recently, complained that "the framers of our Magna Charta of freedom kept right on killing Indians and breeding slaves."

But if this tendency toward despotism is at variance with "a world safe for democracy," it is equally paradoxical in the face of the wide extension of the franchise since the war by which millions of men and women formerly ineligible have obtained the vote. Indeed, if the weaknesses of the parliamentary system had not been noticed before the war one might incline to the theory that this greatly increased electorate, poorly educated and uninformed on questions of government, might be the cause. In a measure it doubtless is. Too many voters in Europe, as with us, find themselves in the position of the unhappy clubman who was accused by a fellow-member of not being 100 per cent. American because he was reported as having said he wouldn't fight for the Monroe Doctrine. Very indignantly he denied the charge, saying, "I would fight for it. What I said was, that I didn't know what it meant." In Europe, especially in the newer countries, the difficulty lies less in the indifference of the voter than in his extreme partisanship for his group, and there are always from half a dozen to a dozen groups represented in Parliament. As a result Ministers cannot depend on stable majorities, but are subject rather to the caprice of constantly changing group combinations. Policies cannot be consistently carried out, and government becomes ineffective and uncertain. Finding the rule by majorities impossible, many stanch supporters of democracy have gone over to the side of rule by a small but efficient minority. Parliamentary Government, they claim, has broken down; it has ceased to function. *Self-government*, they argue, is no longer *safe government*.

Of these two tendencies—the one toward despotism, the other toward indifference and confusion in government—the former is by far the least dangerous at this time. Fascism and the other isms are common to post-war periods, and on their political side at least may be regarded as temporary

rather than constant and permanent tendencies. Even Mussolini has to keep his ear to the ground. Neither he nor the dictators in Russia, any more than their great prototype Napoleon, can arrest or turn aside the course of progress. From Magna Charta down there has been a steady advance toward the extension of democracy, the placing of government in the hands of a constantly increasing number of people, the guarantee of liberty of speech and of opinion, of equality of opportunity, and in more recent times of social justice. Fascism, and all other government based on force, is out of accord with this; it is not on the side of the forces of history.

Far more serious than Fascism and the other reactionary movements is the fact that democracy seems to be breaking down. Self-government, particularly parliamentary government, is in disrepute and we may well give heed to Aristotle's warning made 2,000 years ago. "The mere establishment of a democracy," he said, "is not the only or the principal business of the legislators * * * a far greater difficulty is the preservation of it."

Fortunately there is another side of the picture. By the side of the strange contradictions and paradoxes I have discussed there has been solid achievement in the work of post-war reconstruction of Europe. Into the discussion of these there is not space to go. Republicanism has triumphed. Habsburgs, Hohenzollerns, Romanovs and the host of lesser princely houses have gone. The people are in control. And now after eight years of hesitation, suspicion and fear Europe seems to be settling down to work and more normal existence. The new nations are settling their house in order and working hard to balance their budget. Everywhere there are coming into existence great numbers of new peasant landholders. The large landed estates are being broken up and a sort of silent social and economic revolution is in progress, which will have a strong steadying influence. Education is spreading rapidly. Its importance is generally recognized. The leaders are well aware that the post-war dictatorships appeared in the countries with greatest percentage of illiteracy.

Closely associated with the revival of

interest in education is the more recent tendency toward the discussion and study of international questions. The people of the world are becoming acquainted with each other and acquiring the habit of thinking internationally now and then. In this way a broad basis for mutual co-operation, understanding and good-will is being laid.

DIFFICULTIES OF THE LEAGUE

Of this the League of Nations is of course the most tangible and convincing evidence. That it will afford a ready remedy for the world's many serious international difficulties would be expecting too much. Nor do I believe, as many people seem to do, that if only the United States would join, the world problems would be solved. They forget that human nature will remain the same in the League as it is outside. A wheelbarrow isn't changed into an automobile by pushing it into a garage, or, to use a better expression, you cannot make a silk purse out of a sow's ear. The striking exhibition of the "old beast in the new lair" displayed over the Locarno pacts is only too distressing a proof of this. It is true that international cooperation in great constructive work, which the League is developing so admirably, can alone lead the way to a saner world order. But it is a long, hard road, beset with difficulties at every turn. If the League of Nations is to be the chief instrument toward attaining the goal, and I believe it is, it will have to undergo repeated modifications as the advance proceeds.

Nor will this be altogether undesirable. Many who have followed the work of the League and watched the Assembly and the Council at work have been forced to realize that the Covenant, drawn up under the stress of the war psychology and intimately linked up with the post-war treaty arrangements, has certain peculiarities that hamper greatly the progress toward international organization. The Constitutions of national States have been and are the subject of constant revision, even when, like our own, they are written and sacrosanct to many. The same evolutionary development must attend the world's progress toward international organization. In prin-

ciple the sudden emergence of the demand arising out of Locarno for a modification of the membership of the all-powerful Council of the League seems to me a very wholesome symptom, even though the circumstances that called it forth are unfortunate. The unanimity clause will doubtless have to be modified. Law and order and centralized Governments were established by a slow and arduous process of evolution. The much more difficult task of establishing international government will not be accomplished in any other manner.

FORCE OF ECONOMIC NECESSITY

In this development education and economic necessity are already appearing as the dynamic factors. If there is anything in the welter of distracted post-war Europe that is driven in on the mind of the thoughtful observer it is the presence of the dominating force of economic necessity. Leaders in every country recognize it, even though they continue to worship at the shrine of chauvinistic nationalism.

Under the psychosis of jealousy and fear they turn a deaf ear to the unmistakable warnings of economics and of science. Unwilling to face the facts they continue to play at the old politics, at nationalism, imperialism and militarism.

Happily there are not wanting signs of the breakdown of the old order, and in this connection in analogy from history there is a white light on the problem. It was economic and political necessity that compelled the destruction of feudal anarchy and the setting up of strong national Governments at the close of the Middle Ages. Similar forces are operating today, and to him who has eyes to see the ultimate solution is manifest. Indeed, it may be much nearer attainment than most men believe. Short cuts will be found on the road to international organization and co-operation. Indeed, the forces on its side have reached such proportions, and their growth, stimulated by modern science, is so rapid, that it would be folly to predict their impotence, even in the face of seemingly insuperable obstacles.



Mexico's Laws Against Foreign Land Ownership

I. Historical Development of Issues Involved

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DESPITE serious illness during the last eighteen months of his Administration, President Wilson was able to withstand the pressure of the powerful groups which were demanding a drastic Mexican policy. He persistently refused to go beyond moral pressure in support of the rights and demands of American citizens. He even refused to countenance a plan to withdraw recognition from Carranza. When this chief was overthrown by Obregón in May, 1920, however, Wilson did consent to demand a formal agreement as a condition of recognition of the new régime.

Whether Wilson took this action out of deference to certain members of his own party organization or because he felt that he should make his policy accord with the views of his victorious antagonists, it is difficult to say. Whatever the cause, or whether he was practically *hors de combat* and had nothing to do with it, the procedure is now clear. Just before the national elections of November, 1920, Roberto Pesqueira, the confidential agent of the Mexican Government at Washington, transmitted a note to Bainbridge Colby, Wilson's Secretary of State. In this document Pesqueira stated "the exact position" of the Obregón Administration. He declared that Mexico would "respect all rightful claims duly proved as such, submitting herself to the recognized principles of international law"; that the Mexican Government was "prepared to establish a joint arbitration commission to pass upon and adjudicate the claims presented by foreigners on account of damages occasioned during the revolution"; that Mexico was

willing, moreover, to set up "permanent machinery for arbitration"; and, lastly, that Mexico had not confiscated "one square yard of land" or annulled a "single legitimate right of property," nor did she "intend to deviate from this fundamental policy." The note was immediately given to the press, and along with it a statement by Mr. Colby, wherein the Secretary of State asserted that there had been "no attempt to prescribe rigid and definitive terms upon which a recognition of the Mexican Government would be expressly conditioned." "This we have deemed wholly unnecessary," Colby added. The statement closed with a note of optimism: "I am happy to believe that the last cloud upon the ancient friendship of the two peoples is soon to disappear." And yet, in spite of this statement, Colby proposed on Nov. 25, 1920, "that commissioners be promptly designated by both Mexico and the United States to formulate a treaty" which would embody the pledges which Pesqueira had made since his arrival in Washington. Did the Secretary of State intend to leave out of this treaty "rigid and definitive terms upon which a recognition" of Obregón "would be expressly conditioned," or had the Wilson Administration undergone a post-election change of mind?

LEGALISTIC POLICY OF SECRETARY HUGHES

On the surface, the Colby policy does not appear very different from that adopted by Hughes, who superseded him on March 4, 1921. On May 27 the Chargé d'Affaires of the United States at Mexico City presented to General Obregón the draft of a treaty of amity and commerce. The pro-

posed treaty pledged Mexico "to safeguard the rights of property which attached before the Constitution of 1917 was promulgated." It also contained stipulations regarding "commerce and reciprocal rights in both countries," and provided for a claims convention and the just settlement of boundary matters. The acceptance of this treaty by Mexico was made a condition of recognition. In a statement issued to the press in June, 1921, Secretary Hughes wrote as follows:

If General Obregón is ready to negotiate a proper treaty, it is drawn so as to be negotiated with him and the making of the treaty in proper form will accomplish the recognition of the Government that makes it. In short, when it appears that there is a Government in Mexico willing to bind itself to the discharge of primary international obligations, concurrently with that act its recognition will take place.

Diplomatic promises of the Mexican Government were not sufficient. The viewpoint of Hughes was strictly that of the jurist and legalist:

The question is not one of a particular administration, but of the agreement of the nation in proper form, which has become necessary as an international matter because of the provisions of its domestic legislation. If Mexico does not contemplate a confiscatory policy, the Government of the United States can conceive of no possible objection to the treaty.

The Mexican President and our Secretary of State were in sharp disagreement over this matter. "This draft of a treaty," remarked Obregón in his annual message of September, 1921, "contained stipulations contrary to some of the precepts of our Constitution; hence its adoption would inevitably lead to a situation of privilege in favor of the American resident in Mexico, which would automatically become applicable to the citizens of other countries, owing to the well-known most-favored-nation clause." Thus foreigners would obtain a favored position and the Mexicans would become aliens in their own native land. Moreover, even if this were not so, the signing of a treaty as a prerequisite of recognition "would have imparted to recognition a conditional character, and would have seriously impaired the sovereignty of Mexico." Accordingly, reiterating his determination to protect American interests

in Mexico, Obregón expressed a desire to avoid humiliating promises.

Nevertheless, Obregón set to work in such manner as to redeem the informal diplomatic pledges which he had made from time to time. On June 16, 1922, he signed an agreement with the International Committee of Bankers which recognized the validity of certain important financial obligations, stipulated the terms under which they were to be fulfilled, and promised the return of the Mexican railways to private ownership. At about the same time he proposed the negotiation of two claims conventions with the United States. By proceeding in this fashion he hoped ultimately to secure the recognition of the Washington Government without the humiliation of a special treaty which would reflect upon the national honor and international status of Mexico. In his annual message of September, 1922, he announced that it might be

possible to substitute for the signing of the proposed treaty of amity and commerce—previous to the recognition of the Government of Mexico and as a condition indispensable to granting it recognition—the development of the spontaneous action of this [Mexican] Government until it shall become equivalent to the desired guarantees of rights legally acquired within our territory by American citizens. * * *

MEXICAN COURT DECISIONS

Meantime the Supreme Court of Mexico had handed down five decisions relating to injunction proceedings of oil companies against the operation of certain decrees of the Carranza Government. These decisions were identical in essential particulars and constituted a precedent in Mexican jurisprudence. They were to the effect that "petroleum properties in process of development before May 1, 1917, when the present Constitution took effect, are protected from a retroactive application of the fourth paragraph of Article 27." The decisions did not, however, "deal with the rights of American citizens in lands containing petroleum or other sub-soil substances where the lands were owned prior to May 1, 1917, but had not been developed or as to which leases or contract rights to prospect for and work petroleum had not been granted before that date." The decisions concerned only cases where priv-

ileges of the owners of the lands were transformed by positive acts into acquired rights. Moreover, the Court asserted that the Mexican Congress had the sole authority to regulate the precepts of the Constitution.

Thus the strictly legal demands of Hughes had been met in part by the Fall of 1922, but only in part. He accordingly repeated his previous contention:

When a nation has invited intercourse with other nations, has established laws under which investments have been lawfully made, contracts entered into and property rights acquired by citizens of other jurisdictions, it is an essential condition of international intercourse that international obligations shall be met and that there shall be no resort to confiscation and repudiation.

At the same time, however, he revealed a certain softening of attitude—if indeed there can be anything soft about an iron-clad legalist:

We are not insistent on the form of any particular assurance to American citizens against confiscation, but we desire in the light of the experience of recent years the substance of such protection. * * *

The fact is, Hughes was being hammered by merchants, bankers, boards of trade and commerce, citizens and officials of the Southwest, and humanitarians and plain people everywhere until the bruises were becoming painful. What did the bankers care about vested interests? They had their Lamont-De la Huerta agreement. What reason had the mid-continent oil men to complain if Mexico squeezed a few more dollars from their Mexican competitors or interfered with the development of their petroleum reserves? The chambers of commerce in the Southwest and elsewhere were primarily interested in Mexican trade, and they felt that recognition would be more likely to promote their interests than non-recognition. Humanitarians and plain people thought more of equity and the future of the oppressed masses of Mexico than of the vested interests of our captains of industry. It was the old story repeating itself. Mexico was finding protection in the rivalries and diverse views of the several groups which constituted the American nation. Obregón saw the situation

and rejoiced. In fact he deliberately cultivated American public opinion—a procedure not at all unusual on the part of Mexican leaders.

AMERICAN COMMISSIONERS TO MEXICO

At length, in May, 1923, Charles Beecher Warren and John Barton Payne were sent as commissioners to Mexico for the purpose of negotiating concerning the recognition of the Obregón Government. Apparently the resolution to force Mexico to sign a treaty prior to and as a condition of recognition had been abandoned. The main purpose now appeared to be to obtain a definite and formal statement of the position and intentions of Mexico. So far as revealed by the published record, Mexico made very few concessions. Six topics were discussed, but agreements, partial or complete, were reached on only three. Two claims conventions were signed, a special convention covering "damages suffered by" American citizens through revolutionary acts within the period from Nov. 20, 1910, to May 31, 1920, inclusive," and a general convention covering other claims of citizens of each country against the other since the settlements which had occurred in accordance with the claims convention of July 4, 1868. The American commissioners agreed that Mexico might pay citizens of the United States in twenty-year 5 per cent. bonds for such lands as were taken from them in the process of restoring the communal holdings of the Mexican villages. This, however, was not to be considered as a precedent in respect to lands belonging to American citizens which should be expropriated under other circumstances. Furthermore, Warren and Payne dissented from the Mexican contention that the valuation of the lands for revenue purposes, plus 10 per cent., would be just compensation for expropriated lands. The American commissioners expressed the view that the Mexican Government had no legal right to force the partition of large estates belonging to citizens of the United States without giving just compensation in cash. In view of the fact that the Mexican Congress had not yet passed a law putting into effect the provisions of the Constitution relating to this matter, the Mexican commissioners,

Ramón Ross and Fernando Gonzáles Roa, declined to make a particular statement. And, finally, the Mexican commissioners declared, in regard to petroleum, that the Constitution of 1917

is not retroactive in respect to all persons who have performed, prior to the promulgation of said Constitution, some positive act which would manifest the intention of the owner of the surface or of the persons entitled to exercise his rights to the oil under the surface: such as drilling, leasing, entering into any contract with reference to the subsoil, making investments of capital in lands for the purpose of obtaining the oil in the subsoil, carrying out works of exploitation and exploration of the subsoil and in cases where, from the contract relative to the subsoil, it appears that the grantors fixed and received a price higher than would have been paid for the surface of the land because it was purchased for the purpose of looking for oil and exploiting same if found; and, in general, performing or doing any other positive act, or manifesting an intention of a character similar to those heretofore described.

Moreover, persons who had not performed such positive acts prior to the date when the Constitution of 1917 went into effect would be given preferential rights to the fuel products beneath the surface which they owned and would be granted permission to avail themselves of these rights upon application to the National Government of Mexico.

The commissioners of the United States dissented from these views and reserved the privilege of future protest.

Warren and Payne returned to Washington late in August, 1923, and reported the results of their conferences. On Sept. 3 diplomatic relations between the United States and Mexico were resumed. Matters then quieted down somewhat. Another agreement was negotiated by Obregón with the International Committee of Bankers; the Agrarian Commission of Mexico proceeded to the restoration of community lands to the villages, but the execution of most of the other provisions of the Constitution was delayed. The United States Government showed its approval of Obregón by discriminating against De la Huerta in his attempt to seize the Government. Obregón's candidate, Plutarco Elías Calles, was successful in the national election of the Summer of 1924, and in the

following December he quietly took charge of the Mexican Government.

THE KELLOGG BOMBSHELL

On the surface, the relations between the two nations continued to be harmonious until June, 1925. And then, just as the American people were beginning to think that the "Mexican Ship of State had reached an even keel," Secretary of State Kellogg, who had entered the Cabinet after the resignation of Hughes, published a startling statement in the press. Kellogg said in part:

I have discussed Mexican affairs with Ambassador Sheffield at great length. He has gone over the entire situation. It will be remembered that we entered into two claims conventions with Mexico under which joint claims commissions were appointed to adjust claims of American citizens for properties illegally taken by Mexico and for injuries to American citizens of their rights. These commissions are now sitting and will, in due time, adjudicate these claims. Conditions have improved and our Ambassador has succeeded in protecting American, as well as foreign, interests. Our relations with the Government are friendly, but nevertheless conditions are not entirely satisfactory and we are looking to expect the Mexican Government to restore properties illegally taken and to indemnify American citizens.

A great deal of property of Americans has been taken under or in violation of the agrarian laws for which no compensation has been made and other properties practically ruined and, in one instance, taken by the Mexican Government on account of unreasonable demands of labor. Mr. Sheffield will have the full support of this Government and will insist that adequate protection under the recognized rules of international law be afforded American citizens. * * *

I have seen the statements published in the press that another revolutionary movement may be impending in Mexico. I very much hope this is not true. This Government's attitude toward Mexico and toward threatened revolutionary movements was clearly set forth in 1923, when there was such a movement threatening the constituted Government of that country.

The attitude taken by this Government at that time has since been maintained and it is now the policy of this Government to use its influence and its support in behalf of stability and orderly constitutional procedure, but it should be made clear that this Government will continue to support the Government in Mexico only so long as it protects American lives and American rights and

complies with its international engagements and obligations.

The Government of Mexico is now on trial before the world. We have the greatest interest in the stability, prosperity and independence of Mexico. We have been patient and realize, of course, that it takes time to bring about a stable Government, but we can not countenance violation of her obligations and failure to protect American citizens.

This public warning called forth from President Calles a spirited reply. He cited the claims conventions as proof of Mexico's willingness to "comply with her international obligations and to protect the life and interest of foreigners." He declared that the agrarian laws could not be a subject of complaint because, in the first place, "Mexico has [had] issued them in the exercise of her sovereignty" and, in the second place, the State Department of the United States had accepted the form of indemnity prescribed by these laws. He declared that Secretary Kellogg, in referring to reports of prospective revolts against the Mexican Government, was destroying confidence in that Government and inciting the very disorders which he pretended to deplore. He said that Kellogg's statement that the United States would continue to support the Calles Administration only so long as it continued to protect American lives and interests, embodied a "threat to the sovereignty of Mexico" which could not be overlooked or allowed to remain unresented.

In taking this firm stand President Calles appears to have voiced the sentiments of the majority of the Mexican people. Mexican Senators and Deputies sent congratulations and pledges of support. Leaders in the Mexican Army endorsed his statements and offered their swords in his defense. The press came valiantly to his assistance. One paper declared that the announcement of the American Secretary of State would be taken by the Caribbean States as admission of a deliberate policy of fomenting revolutions.

THE SUBSOIL CONFLICT—TERMS OF LAND LAW AND PETROLEUM LAW

After this outburst affairs quieted down once more until the closing days of 1925, when it appeared certain that the Mexican

Congress would pass laws relating to petroleum and the ownership of land by aliens. Again the United States protested that American rights were being violated, and again the Mexican Government denied the charge and asserted its sovereign right to regulate the exploitation and development of its own resources.

The provisions of the petroleum law are in accord with the position taken by the Mexican commissioners in the Summer of 1923. Citizens of the United States own several million acres of Mexican lands. At the time of its acquisition, title to much of this land carried with it the title to the petroleum beneath its surface. The view of the Coolidge Administration in 1923 appears to have been that this subsoil belongs to Americans regardless of whether they suspected its presence in the subsoil at the time of purchase and regardless of whether any positive act had taken place to locate or develop oil prior to the promulgation of the Constitution of 1917, which declared petroleum and certain other fuels to be the property of the nation. The position of the Mexican Government was that some positive step should have been taken, prior to the promulgation of this document, indicating the owner's intention to develop the oil. "In Mexico the principle is that all the subsoil belongs to the nation, and only the laws of 1884 and subsequent laws, such as 1892 and 1909, gave to the owner of the surface the right to make use of the subsoil, without the necessity of a concession. . . . By virtue of those laws the nation makes a donation of property to individuals." In order to render this donation complete, however, in order to transform the privilege into an acquired right, some positive act was necessary. If this was lacking the privilege had been forfeited. It was estimated, however, that the owner of this surface, under the new régime, would be given the preferential right of developing oil in conformity with regulations prescribed by the Government.

The petroleum law (Dec. 26, 1925) confirms all oil rights arising from lands on which works for the exploitation of petroleum were begun prior to May 1, 1917, as well as all such rights arising from contracts made before May 1, 1917, by the

surface owner or his successors in title for the express purpose of developing petroleum, but these rights are confirmed only for a period of fifty years. For the rest, it declares that ownership of petroleum is vested in the nation and that foreigners obtaining concessions must forego the privilege of appeal to the home Government.

A translation of the land law has been made available through *The New York Times*. It contains several provisions affecting the status of foreigners, some of which Secretary Kellogg considers retroactive and confiscatory. The following are the main provisions of the law:

1. Aliens are forbidden to acquire direct ownership of land or water in a strip of one hundred kilometers along the frontiers and fifty kilometers along the seacoasts.

2. Aliens are not allowed to constitute a part of a Mexican company which may have or acquire ownership of lands and waters, or of concessions for the exploitation of mines, waters, or combustible minerals elsewhere in the republic, except on condition of obtaining a permit which will be granted to them only after they have agreed, on penalty of forfeiture, not to invoke the protection of their home Government in regard to the property in question. In the case of Mexican companies owning rural property for agricultural purposes, participation of aliens is not to be allowed after their acquisitions reach 50 per cent. of the total interests of the company. These provisions relate to the future, and to them the United States appears to have no legal right to object and probably will not object.

But the law does not stop here. It goes on to lay down certain stipulations in respect to alien property acquired before the law becomes effective:

1. Foreign individuals, partnerships and corporations may retain their holdings in the maritime and frontier strip until death or dissolution, and their heirs and assignees are given five years to dispose of the property even after this.

2. The same conditions hold elsewhere in the republic in respect to the ownership of lands, waters and mining and other concessions, with the exception of aliens who possess 50 per cent. or more of the total interests of Mexican companies holding rural lands for agricultural purposes. In such cases individuals are to have the same privilege, but corporations are to be granted a period of only ten years in which to dispose of their interests in excess of the stipulated maximum.

The previously acquired subsoil rights of Americans and the provisions of the

land law which relate to alien property acquired before the law became operative have furnished the occasion for the protest of Kellogg.¹ Perhaps international law is in his favor, although confiscation is difficult to define in view of the more recent exercise of police power by modern States, and many regulatory measures are in a sense retroactive.

ALIEN OWNERSHIP OF MEXICO'S WEALTH

In the development of nations and peoples, crises sometimes arise when there are more important considerations than legal rights of opulent individuals and groups. We ourselves have confiscated slaves and breweries and saloons and destroyed reasonable expectations of stockholders in certain monopolies and public service corporations. Considerations of equity and humanity as applied to millions of people may outweigh the legal rights, not infrequently acquired in the first instance by shady transactions, of a few thousand individuals whose happiness and existence would not be seriously threatened by the partial loss of these rights. Only in the last twenty years have the interests and welfare of the Mexican masses been taken into consideration by the officials of the Mexican Government. For decades prior to that time the birthright of the Mexican people had gradually been alienated to foreigners. These foreigners have conferred incidental and accidental benefits upon the Mexicans, but they have never considered this their main business. Today aliens own much more of the natural resources and other wealth of Mexico than the Mexicans themselves. Should legal barriers erected often by corrupt and tyrannical rulers without the consent or knowledge of the Mexican people be permitted to stand in the way of the ultimate recovery of the heritage of the Mexican nation? This is certainly an important phase of the question.

Mexico's stability and prosperity in the future may depend largely upon the creation of numerous small, independent landholders. She possesses arable land in limited quantity, about one-fourth of her area

¹The notes exchanged between the two Governments on these matters may be found in *The United States Daily*, April 12 to 15, 1926.

being of this description. Americans and other foreigners own millions of acres of this land. If we insist upon and secure the right of permanently retaining our holdings, other foreigners will obtain the same right under the most-favored-nation principle. Mexican landholders will then be left in an inferior position. This will lead either to revolution or to the defeat of the whole agrarian program of the Mexican Government, and possibly to both. Mexico's prosperity will depend also upon the conservation of her fuel and water. The country has not yet reached the industrial stage. When it does, oil, gas and water-power will be needed. Mexico is not yet ready to use her petroleum. It is being consumed by foreigners. In 1920 Mexico retained only 4 per cent. of her production. To the United States went 78 per cent. of the total. Great Britain consumed most of the rest. Oil is necessary to our national defense and our national industries, but how much do we consume in our recreation! There are 26,000,000 automobiles in the world. We own 20,000,000 of them. There are about 20,000,000 passenger cars; we own 15,000,000. Perhaps 10,000,000 of these are used mainly in recreation. Should we coerce Mexico and limit her growth for the future in order that our millions of Babbitts may indulge in riotous joy-riding, or even in order to furnish relaxation to our more cultured? And besides, we may be able to buy Mexican gasoline even though it should not be produced by Americans.

Perhaps this is too sentimental. What of the practical phases of the question? Will not the European nations, who are probably egging us on for their own purposes, insist on interference and violate the Monroe Doctrine if we recede from the position we have taken? Can we afford to allow Mexico to carry out measures which may constitute at once a precedent and an incentive for similar procedure in other States of Latin America where we have billions of dollars at stake and where Europeans and Asiatics are involved to an equal amount? Is not the Mexican Government in the hands of grafters and spoils-men more interested in filling their purses than in recovering the heritage of the Mexican nation?

In the first place, it may be doubted whether the European nations are in a position to interfere in defiance of our protest at this time. In the second place, while we must admit that the national officials of Mexico have not been impeccable in the past, it is well to be reminded that few modern Governments have been entirely free from corruption and that accusations of dishonesty and incapacity are sometimes the device used by imperialists to obtain their ends. In the third place, we should ask ourselves what steps we may take and where they will ultimately lead. Withdrawal of recognition from Calles will encourage revolution in Mexico, and revolution will be more destructive than land and petroleum laws. If this step does not bring Mexico to terms and if Calles should have the ability to maintain order and defy us and our policy of non-recognition, the next step would perhaps be coercion by the use of the army and navy, or both. Our property in Mexico is worth a billion and a half dollars. The losses with which we are threatened by Mexican legislation amount to only a small percentage of the total, but even if it all should ultimately be involved, it should be remembered that a billion and a half is soon spent in war. Moreover, all Latin America is likely to be deeply incensed by the coercion of Mexico and this will certainly result in injury to our economic interests in these countries. We now have two instruments at hand: mild reasonableness and force. Perhaps we had better use the former. It is more in conformity with the democratic ideal and it may prove just as profitable in the end.

According to recent reports President Coolidge appeared to prefer this milder policy. He was reported to have expressed the view that the issues between the United States and Mexico were capable of being settled by diplomatic interchange. At the same time, the Mexican Government has assumed a more conciliatory attitude. The regulations designed to put the land and petroleum laws into operation are moderate in nature. Foreigners whose agricultural holdings were affected by the land law are given an extension of time for the disposal of their properties, and it is expressly de-

clared that none of the stipulations of the law or the regulations will be "applied retroactively to the injury of any person." The petroleum regulations confirm indefinitely, instead of merely for fifty years, all oil rights acquired prior to May 1, 1917. They also provide that the beneficiaries of any contract for the exploitation of petroleum entered into between May 1, 1917, and Dec. 31, 1925, shall have the preferential right for a year to obtain concessions from the Mexican Government in accord with the stipulations of the law and the regulations. In a similar way protection appears to have been given to foreign petroleum companies and foreign stockhold-

ers in Mexican companies. The tension therefore appears to have relaxed somewhat, but there is still reason to believe that the crisis has not passed. Reports of the expulsion of churchmen are agitating public opinion in the United States, certain Congressmen and Senators are demanding investigation or intervention, and statements sent out by the publicity agents of some of the oil companies with interests in Mexico indicate that these petroleum producers do not feel that a satisfactory settlement has been reached. Whether the concessions made by the Calles Government to American interests will create an unfavorable reaction in Mexico remains to be seen.

II. Mexico Within Her Sovereign Rights

By MANUEL C. TELLEZ

Mexican Ambassador to the United States

THE fact that the inhibition of the ownership of land in Mexico by aliens adjacent to the boundaries or coasts is but a reaffirmation of the laws in that respect that have always prevailed, under Spanish domination as well as Mexican independence. The laws regarding the nationalization of valuable sub-surface mineral deposits are in turn only a reaffirmation of the laws governing such matters, since the fourteenth century in Spain, and since the conquest of the Americas by that country. The laws regarding the Church, now being enforced, are a reaffirmation of those of Juarez in 1859 and of Lerdo de Tejada in 1873, repeated by Carranza, and finally embodied in the Constitution of 1917. The reason for these laws is set forth fully in the preamble thereto issued by Juarez, and endorsed by Lerdo de Tejada. Historians and writers in number have shown the good foundation there was for the laws in question.

The questions in controversy that have been made the subject for diplomatic correspondence between Mexico and the United States for some time past are two in number—the ownership of real estate by foreigners and control over sub-surface mineral deposits, notably petroleum, by the National Government. A third matter

is that concerning the laws regulating Church and State, but, as plainly enunciated on a recent occasion, the Government of the United States has refused to be drawn into any controversy in that connection, for the very cogent reason that every country has the right to regulate such matters without outside interference.

With regard to all three questions a strenuous effort appears to have been made, which is still pursued to a great extent, to inculcate the belief that the legislation concerning these important features of Mexico's welfare is of recent origin, dating back, in fact, no further than 1917. It is safe to say that nine-tenths of the people of the United States who have considered the matter at all are firm in this belief. Yet nothing could be further from the facts.

In the new Constitution (of 1917) there is a provision forbidding any foreigner whatever (and by the way there is nothing in the Constitution or laws of Mexico which discriminates in any manner between nationalities) from acquiring possession of real estate within $62\frac{1}{2}$ miles of the boundary lines and $31\frac{1}{4}$ miles of the seacoasts. Those who may have acquired such properties by inheritance or otherwise are given a reasonable period within which to dis-

pose thereof. This is only a formal reaffirmation of the old laws regarding this matter. As far back as 1623 a law was promulgated forbidding foreigners from residing within twenty leagues (about sixty miles) of the coasts or other boundaries, while none were permitted to hold real property anywhere in the colonies of Spain. These laws remained in force until the independence of Mexico from Spain was achieved, when the twenty-league inhibition was re-enacted. Other enactments were issued in the same general direction from time to time. The Constitution of 1857 made no change in this respect. The new Constitution, following the consistent practices already existing, established the forbidden zone at $62\frac{1}{2}$ miles from the boundaries and $31\frac{1}{4}$ miles from the sea-coasts. That Constitution also provided that any foreigner who would formally agree to place himself on a par before the laws with Mexican citizens as regards the special transaction contemplated, could acquire real estate anywhere in the Republic except within the prohibited zones.

In several of the United States foreigners may not own real estate under any conditions. This is notably true of the District of Columbia, as also of Kentucky, Missouri, Oklahoma, Washington, Texas and others. An exception is made of foreigners who first announce their intention to become naturalized citizens of the United States. In Oklahoma, if an alien acquires property by inheritance, he must either become a citizen within five years or forfeit the holdings to the State. In some of the United States discrimination is made against certain classes of foreigners.

It has been erroneously stated that renunciation of foreign citizenship was required by the Mexican law, but nothing of the kind is contemplated or demanded. In all powerful civilized countries the foreigner who seeks to acquire property tacitly agrees to abide by the same laws which govern citizens thereof. But in Mexico it was thought necessary for obvious reasons to state this as a prime essential. The new Constitution, therefore, merely reiterates the terms of the laws in this connection which have always existed in Mexico since the time of the Conquest. And inasmuch as every sovereign country

has the exclusive right to legislate upon such matters within its own jurisdiction, it is difficult to see what valid objection can be raised thereto by any other Government.

SUB-SURFACE MINERAL DEPOSITS

The second feature of the controversy has to deal with nationalization of all sub-surface mineral deposits as enumerated in the Constitution of 1917. Here again it has been sought to convey the belief that this is an innovation instead of being, as will be shown, merely a reaffirmation and definition of the laws governing a condition that has persisted from the time of the Conquest. The unequivocal declaration of the ownership by the Spanish Crown of all valuable sub-surface mineral deposits was made as far back as 1343. It was repeated in 1387, and after the conquest of Mexico and the discovery of mines of gold, silver and other valuable minerals, it was repeated from time to time. Thus, under King John of Spain, it was declared: "All mines of gold, silver, lead and every other metal whatever in our realms belong to us. Therefore no one shall presume to work them without our special license and command." Others of the Spanish rulers found occasion to make the same declaration. In one of them it is stated: "Mines of precious stones, copper, lead, tin, antimony, quick-silver, zinc, bismuth, rock salt or other fossils, whether perfect or mixed metals, bitumen, the juices of the earth or other productions thereof." It is evident that when this was issued masses of solidified asphalt-base petroleum had been found, while petroleum would undoubtedly have been included as one of "the juices of the earth" which were Crown property.

After the independence of Mexico, in 1824, the same laws remained in force or were re-enacted in part, coal and oil not being included in the enumeration, as their existence was not known. But in 1884, after their discovery, and subsequently, legislation was enacted through the influence of foreign exploiters of those substances, exempting them from the universal rule of Crown or national ownership. Because of the dissatisfaction thereby created, the old laws were again affirmed in the 1917 Constitution, although the rights acquired under the laws thus nullified were pro-

tected by the non-retroactive clause of the new organic law. Every mine that has ever been opened in Mexico, of whatever character, by Spaniards, Mexicans and foreigners alike, with the exception of coal deposits, from the time of the Conquest down to the present, has been under the rule of Crown or national ownership. And until the petroleum treasures proved to be so immensely valuable, no question was ever raised, whether by native or foreigner, against such procedure.

As with the other mineral deposits, every person seeking permission to exploit petroleum treasures has, since the first discoveries, years before the adoption of the new Constitution, been required to include in the attested agreement a provision that

in all matters pertaining thereto they considered themselves on a par with Mexican citizens, and would refrain from appealing against the laws of that country to the diplomatic representatives of their own Government. No objection was ever made to this requirement so far as made known publicly at the time. As with the law regarding the ownership by aliens of lands within the prohibited boundary and coast zones, those who acquired legal rights to oil-bearing lands prior to the adoption of the new Constitution are fully protected by Article 14 of that instrument, which forbids the enactment of laws of a retroactive character which are injurious to any person, as also by recent enactments regarding oil land titles.

III. An Analysis of the Land Laws

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IN order that a proper understanding of the new "Ownership of Property" and "Petroleum" laws in Mexico may be had, it seems necessary that a careful study and analysis be made of what was actually done by the Mexican Constitution and laws. The opponents of the laws have in a rather loose way referred to the action of the Mexican Government as having "nationalized" the subsoil and ownership of land and to have given the impression of a taking away or confiscation of substantial and substantive rights. A careful study of the laws would seem to entirely refute such a claim. Much of the publicity and criticisms seem based on a lack of study of what has actually been done.

Excerpts from the much-discussed Article 27 of the Constitution of 1917 state:

In the nation is vested *Dominio Directo* of all minerals or substances which in veins * * * solid minerals, fuels, petroleum and all hydrocarbons. * * *

In the nation is likewise vested the *Dominio* of the waters of territorial seas. * * *

Only Mexicans by birth or naturalization, and Mexican companies, have the right to acquire *Dominio* in lands, waters and their appurtenances

or to obtain concessions to develop mines, waters or mineral fuels in the Republic of Mexico. The nation may grant the same right to foreigners provided they agree before the Department of Foreign Affairs to be considered Mexicans in respect to such property and accordingly not to invoke the protection of their Governments in respect of the same. * * *

Within the zone of 100 kilometers from frontiers and 50 kilometers from the seacoast, no foreigner shall, under any condition, acquire *Dominio Directo* of lands and waters.

From the most cursory inspection of the above, it will be seen that the Constitution makes a very clear and definite distinction between *Dominio* and *Dominio Directo*. The nation, itself, is given the unqualified ownership or *Dominio* of the waters in the ocean which usually, under international law, belong to nations and of water courses generally; also Mexicans only have the right to acquire such unqualified *Dominio* of land, but the right may be granted to foreigners to acquire in the future provided they agree to be considered as Mexicans in respect of such property. It will be noted, however, that as to the minerals and petroleum it is only the *Dominio Directo* which

is vested in the nation and in the restricted zones it is only the *Dominio Directo* which a foreigner is prevented from acquiring. This, therefore, makes necessary, in order to understand the distinction, an analysis as to what, under Mexican law, is meant by the term *Dominio Directo* and in what way the term differs from complete ownership; and it is necessary to understand the definition of those terms as used in Mexican law. In Escriche's "Dictionary of Legal Terms" the definition of *Dominio* (which is synonymous with *dominio pleno* or *dominio absoluto*, which would be defined as "dominion or power complete and absolute")—is "the power that one has in anything, to sell it without interference from any third party; the right to obtain its products and to exclude every one else from its enjoyment." This term *Dominio* comprehends two things: *Dominio Directo* plus *Dominio Util*, and these are correspondingly defined: *Dominio Directo*: "The right that one has to control the disposal of a thing whose fruits or usefulness has been ceded to another," and the definition of *Dominio Util*: "The right to receive all the fruits or products of a thing, the right of control of which is in another." The analogy for these terms in our American law would probably not be found exactly, although they would be much the same as though a trustee were created in real property with the benefits or usufruct in another. In personal property law the similarity would be very much the same as voting trustees of the stock of a corporation in cases where the right to the dividends reposes in the owner of the voting trust certificates, but the dominion or power to vote is in the trustees.

It will be seen, therefore, that what the two laws are attempting to carry out is the plan or laws for functioning the *Dominio Directo* (dominion or power of direction or control) of the products of the subsoil and of the ownership of the land in the prohibited zones, but not in any way to take away the rights previously acquired or the right to receive in the future the products or fruits of such property even though the direction or control be in the nation.

As to the future *Dominio Directo* over land in the prohibited zones, this is retained by the nation (and necessarily so

under the Constitution) by the Ownership of Property law, and the power of persons to acquire rights other than *Dominio Directo* in such restricted zones is specified. From an inspection of the law it will be readily seen that the law is easily analyzed under three heads, to wit: (a) *Dominio Directo* of land in the prohibited zones; (b) ownership of rural properties; and (c) *Dominio Directo* of land and water other than (a) and (b) and including concessions for mines, petroleum, and so forth.

Briefly summarizing, as to (a) it is permitted that the prior owners of such *Dominio Directo* may continue to own such *Dominio Directo* until their deaths, if individuals, plus five years for the heirs, and if by corporations, for their respective lives. In this connection it must be again understood that it is only the *Dominio Directo* that has to be disposed of. For instance, the individual may retain a long time lease or make other fair disposal of the use or of the fruit of the property so long as the *Dominio Directo* is handled in such manner as to comply with the law. As to (b), prior *Dominio Directo* legally acquired may be retained until the death of the owner if an individual or if by corporations for ten years, and these ownerships continue without any obligation to agree to be treated as a Mexican national or without any other obligation except a filing of the below referred to declaration. If the *Dominio Directo* is not disposed of within such periods the same will be disposed of but the proceeds paid to the previous owners; also, there will be noted the broad power given to form Mexican corporations to take over such holdings and of course long term leases and other control of the *Dominio Util* may be retained. As to (c), such prior ownership may be continued for the life of the individual owners and five years thereafter for the heirs, and if corporations, for the life of such corporation. The ownership may continue without limitation if the owner agrees to be treated as a Mexican national in regard to such property.

It will, therefore, be readily seen that under this law there is no confiscation and that the matter has been worked out in a way to fairly protect parties who may come under it.

PETROLEUM LAW

As to the Petroleum law, from a reading of the text it will be readily seen that the law serves as the basis for a comprehensive system for the control of the petroleum industry—not a taking over of the property but a control of the production and transportation. Probably the one matter which is giving the most concern in this country and in fact all over the world in regard to the future development and waste of natural resources is the problem of what shall be done with the oil production and how it shall be controlled or curbed. The above discussion has attempted to point out that the control of the production and transportation is the thing which is taken over by this law and not the nationalization of the resource itself. In other words, the Government does not purport or attempt to take over the percentage or any percentage to which the landowner may be entitled. It will be noted in Article 8 (1) "if the concessionaire is not a surface owner, the owner of the surface must be granted at least 5 per cent. of the gross production."

The great protection in this law from the oil companies' standpoint is the ability to get a concession in which the definite royalty to be paid will be fixed and the multitude of "strike" suits brought by "coyotes" which have so harassed the oil companies for so many years in Mexico will be done away with. The operators securing a concession, in the event of conflict as to who as the owner of the surface would be entitled to the royalty payment, could deposit the money in court and be relieved from obligation. In our more thickly populated country, in which title records are carefully preserved, this problem would perhaps not be so important, but in Mexico, where the records of ownership have not been so carefully kept, the settlement of this constant menace to the development by the oil operators of their properties would seem to far outweigh any of the petty objections which have been made to the law. All the operators have been constantly before the courts on actions by heirs or claimed heirs or owners, and it is not possible to conclusively prove many of the titles. The money lost in these litigations, settling with claimants and other expenditures claimed to be

necessary would, if saved, greatly reduce the cost of the oil produced as well as make for harmony of administration.

The "Ownership of Property" law requires the filing of a declaration in the proper department of the National Government of the ownership of such *Dominio Directo* prior to the new law. This has to be done in all cases under penalty of losing their status as such owner of such property prior to the law—that is, the property is not forfeited, but it comes in under the status of property acquired after the law. While considerable complaint has been made as to this provision, such complaints would seem entirely unjustified. Certainly the period of a year is ample time for the filing of such declarations, and that some such requirement is necessary for the protection of the law itself is certainly not questioned. If the law is to be of any value whatever, there must be a complete understanding of all rights which can or can not be affected by it, and the records in regard thereto should be made as complete as possible in order to prevent mistakes as well as fraud which might be practiced. The possibilities of the "bootlegging" of revenue stamps of a date prior to 1917 so that contracts made in fact long after can be claimed to have been made prior to that date is recognized and some starting point must be determined upon.

A careful analysis of the entire situation would seem to conclusively prove that instead of the Mexican laws referred to working out hardship and confiscation, they are in reality the greatest and most important forward step which has been taken by any nation in the direction of the wise development and control of its natural resources. Many of our own States have taken some steps in directing and controlling production, such as the control of gas wells and the production therefrom—the prohibition of the use of natural gas for the manufacture of lampblack—laws against drilling restricted zones along railroad rights of way and other places—and we know the recent important meetings of our own governmental heads in attempting to work out a feasible plan for the control of the production of oil itself. If any forward step is to be made, it will of necessity

either have to curb development or increase development, either of which will certainly in some way change the complete dominion which the previous owner had over the property involved, but such changes, brought about by the necessity and power of direction, is a necessary incident to Government and one of which no one should

complain. In the case of the two particular laws involved in Mexico, it will readily be seen that every attempt has been made to work out the situation in a manner to produce as little hardship as possible consistent with the control of development made necessary for the protection of the national resources.

IV. Mexico's Policy of Confiscation

By WILLIAM H. KING

United States Senator from Utah

WE are face to face with the fact that the Mexican Government has neither good will nor good faith with respect to making indemnification for the property losses to which Americans have been subjected in that country.

American men and American money went into Mexico in response to assurances by the Mexican Government that capital invested in that country would be protected. Americans built factories, railroads and smelters. They opened mines, developed forests and reclaimed arid lands. They employed thousands of Mexican workmen at wages double what they had previously received. They erected school-houses and built quarters for their employees. These American investments have amounted to more than a billion and a half dollars. They constituted the most important contribution to the prosperity of Mexico, but Mexico has not protected this property. Power lines have been cut, irrigation and power works have been dynamited, canals have been ruined, factories have been burned, railroad and mining supplies, stock and equipment have been destroyed, and damages inflicted upon American property to the amount of more than \$50,000,000, not counting indemnification for the murder of 600 Americans at the hands of Mexicans, and other personal outrages suffered because of the indifference and lassitude of the Mexican Government in the discharge of its duty to protect the lives and property of Americans subject to its laws and within its jurisdiction.

The Mexican Government not only has

failed to render indemnification for these losses, but has deliberately entered upon an official policy of confiscation of American property in that country under the guise of improving the agrarian laws. This legislation is against the law and comity of nations as well as in contravention of the rights guaranteed to the United States by the Treaty of Guadalupe Hidalgo. Extensively developed agricultural properties of Americans have been seized by the Mexican Government and have been parceled out to irresponsible Communists who harvest the crops and then move on to other confiscated properties. These confiscations are covered under the pretense of payment in agrarian bonds which are valueless, and even the nominal values of these bonds are ascertained by methods which ignore every real element of value. This is purely a communistic movement. It is against religion as well as against those fundamental rights of liberty and property which are the basis of constitutional government, but the exercise of which the Communist denominates as capitalism and bourgeois civilization.

It is doubtless true that the ancient agrarian policy of Mexico has not effectively promoted the interests and welfare of the agrarian population. It is claimed that the aristocratic class and the Church have been indifferent to the social and economic progress of the peons, and that millions of the submerged classes have not enjoyed the opportunities for development and well-being which should have been their right. There is legitimate need for legislation re-



Wide World

James R. Sheffield, the United States Ambassador to Mexico (in centre of picture) and his staff photographed just after the presentation of his credentials to President Calles

sponsive to the normal human aspirations of the mass of the Mexican people, but this fact does not justify the policy of confiscation and communism which constitutes the program of the Calles Government.

The State Department is not using sound judgment in dealing with Mexico. It did not promote American rights for Secretary Hughes to have sold to the Obregon Government millions of dollars' worth of arms from our arsenals. The treaty negotiated by Mr. Hughes and signed by President Harding for the settlement of American claims is proving abortive. Mexico has set up fictitious defenses and offsets against

any awards which may be granted. There is no assurance that Americans who have been wronged will ever recover indemnification. Mr. Sheffield, the American Ambassador to Mexico, is true to American rights and interests. He is seeking to do his duty, but he has been embarrassed and his authority compromised by the act of the State Department in permitting Charles Beecher Warren to act as an intermediary in affairs which should in regular course have been handled by the American Ambassador. The State Department should protect and vindicate American rights. That is the limit of its duty. The department is not discharging that duty.



Emiliano Chamorro, Nicaragua's Dictator

By WALTER SCOTT PENFIELD

Lawyer practicing at Washington, D. C. and specialist in Latin-American affairs; at one time legal adviser to the Nicaraguan Legation at Washington

THE acceptance by the Congress of Nicaragua of President Solorzano's resignation marks an interesting point in the series of events leading up to the present dictatorship of General Emiliano Chamorro. Nicaragua, a Central American republic with an area of 49,200 square miles and a population of 638,119, has for some years been a prey to a great amount of disorder and revolutionary change, and for that reason deserves careful study.

From 1893 to the end of 1909 the Government of Nicaragua was in control of the Liberals, led by José Santos Zelaya, their President. When he fell it was contended that Madriz, another Liberal, the successor of Zelaya, was the Constitutional President and should have been recognized as such by the United States. But the United States refused to recognize Madriz because he had never legally been elected, and his only claim to office was based on the action of his predecessor Zelaya in "depositing the power" in him. Besides, he was clearly ineligible to receive the "deposit," because he was not a member of the National Assembly, as required by the Constitution then in force; he was neither the Vice President nor a Cabinet Minister. Shortly thereafter Madriz was defeated by force of arms and fled the country. When the Conservative Party assumed control in 1910 it had as its President Juan Estrada, leader of the revolution, a Liberal, and a Cabinet composed of Moncada, a Liberal, and Diaz, Chamorro, and Mena, Conservatives. Estrada was only nominally President, as the real power was in the hands of Mena, the Minister of War, who controlled the army. The latter ousted Estrada, and Diaz became President. Then Mena attempted to execute a coup d'état against him, but failed and was conveyed out of the country on an American cruiser to Panama.

At the express invitation of the Government of Nicaragua the United States Government now landed marines. They were maintained at Managua, at the request and with the consent of the Nicaraguan Government, until Aug. 3, 1925. They had been continued there lest their withdrawal might be construed as an invitation to resume disorders and lest the impression might be created that the United States had lost confidence in the President in power. Besides, insurrections in Nicaragua are nothing but military uprisings and not popular movements in any sense. The trouble usually begins with the mutiny of a garrison or the seizure of an arsenal, often accompanied by the capture of the President. The presence of a few marines guarded against disorders, saved the expense of maintenance of a large army and prevented the possible spread of a revolutionary movement to the republics of Honduras and Guatemala.

In 1912 the United States was informed that certain German interests were trying to secure a concession for the construction of a Nicaraguan canal. The building of our Panama Canal, which was nearing completion, and our national safety required that we secure that concession. A treaty was thereupon made, which has since become effective, whereby Nicaragua, in consideration of \$3,000,000, agreed to give us the option of constructing a canal, the right to establish a naval base on the Gulf of Fonseca and the lease for ninety-nine years of the Corn Islands.

Coming now to General Emiliano Chamorro, we find him occupying the position of Nicaraguan Minister in Washington from 1912 to 1916. He proved quite acceptable to the United States Government, and in 1916 he announced his candidacy for the Presidency of Nicaragua and was conveyed there in an American cruiser.



Map of Nicaragua

This act of the United States was equivalent to announcing that it wanted him to be President. He became President. Thereupon he sent his uncle, Don Diego Chamorro, as Minister to Washington; and in 1920, when General Chamorro's term of office was about to expire, he arranged that his uncle, Diego Chamorro, now both old and weak, be made his successor. Something had to be done to make the Nicaraguan people believe that the United States wanted Diego as President. It is alleged by Nicaraguans in Nicaragua and in Washington that the Chamorro party then employed and paid handsomely a prominent ex-American official, to send a cable to Diego Chamorro stating that he would arrive in Managua, the capital of Nicaragua, to be present at his inauguration. The cablegram accomplished its purpose. The Nicaraguans concluded, upon reading the well-circulated copies, that the United States wanted Diego as President. Accordingly, he was made President. But the ex-official did not attend the inauguration. Thereupon General Chamorro was sent by his uncle as Minister to Washington.

While General Emiliano Chamorro was

occupying that position there was held in Washington, in 1923, under the auspices of the United States, a conference on Central American affairs, which resulted in the signing by the representatives of the Central American republics of a general treaty of peace and amity. Article II of that treaty, which General Chamorro signed as a representative of Nicaragua, provided:

*** every act, disposition or measure which alters the constitutional organization in any of them is to be deemed a menace to the peace of said republics, whether it proceed from any public power or from the private citizens.

Consequently, the Governments of the contracting parties will not recognize any other Government which may come into power in any of the five republics through a coup d'état or a revolution against a recognized Government, so long as the freely elected representatives of the people thereof have not constitutionally recognized the country. And even in such a case they obligate themselves not to acknowledge the recognition if any of the persons elected as President, Vice President or Chief of State designate should fall under any of the following heads:

(1) If he should be the leader or one of the leaders of a coup d'état or revolution, or through blood relationship or marriage, be an ascendent or descendent or brother of such leader or leaders.

(2) If he should have been a Secretary of State or should have held some high military command during the accomplishment of the coup d'état, the revolution, or while the election was being carried on, or if he should have held this office or command within the six months preceding the coup d'état, revolution or the elections.

Furthermore, in no case shall recognition be accorded to a Government which arises from election to power of a citizen expressly and unquestionably disqualified by the Constitution of his country as eligible to election as President, Vice President or Chief of State designate.

President Diego Chamorro died in office in 1923 and was succeeded by Vice President Bartolome Martinez, a Conservative.

The next year, 1924, we find General Emiliano Chamorro back in Nicaragua planning to become President again. Instead, Carlos Solórzano was elected. Although a member of the Conservative Party he appointed some members of the Liberal Party to his Cabinet.

THE COUP D'ÉTAT IN 1925

On Aug. 28, 1925, less than a month after the withdrawal of the United States marines, a Nicaraguan newspaper man, Gabray Rivas, with fifty soldiers from the fort overlooking Managua, whose garrison had rebelled, entered the International Club, where a ball attended by members of the diplomatic and consular corps and of the society of Managua was being given in honor of the Minister of Public Instruction, Dr. Leonardo Argüello. After Rivas and his soldiers had shot up the club in true cowboy fashion Dr. S. Albino Roman y Reyes, the Secretary of the Treasury, many prominent Liberals and editors of Liberal papers were made prisoners and conducted by the soldiers to the fort. At 3 o'clock the next morning the Secretary of the Treasury, who was given the option of resigning or facing the inevitable consequences of his refusal, tendered his resignation, which was accepted. Then General Alfredo Rivas, chief of the fort, sent the President an official communication in which, after submitting his irrevocable resignation, he stated that the Conservative Party needed to recover its rights in the seat of Government, and in effect indicated a list of important members of that party for high positions in the public administration. The President, however, refused to arrest the persons involved, all of which tended to weaken him.

Although General Chamorro gave assurances to the President that he would support him and his Government, the next

month he forcibly took possession of the fort, brought the troops of the garrison under his command and demanded that the President dismiss the Liberal members of his Cabinet and appoint him Commanding General. The same day Chamorro's troops fired on the constabulary, killing several people and wounding about thirty. The next day we find Chamorro demanding that only members of the Conservative Party be in the Cabinet, that amnesty be granted to all, that \$10,000 be paid him for his personal expenses in starting the revolution and that his troops be paid off by the Government. Further, Chamorro demanded that he be appointed General of the army for a sufficient time to guarantee peace. In order to save fighting and bloodshed the President complied with these terms and gave Chamorro charge of the arsenal and the fort. Concurrently various centres in the western part of Nicaragua, especially Leon, were filled by troops of General Chamorro, who suspended at the same time the publication of all the Liberal newspapers.

The present writer, who was in Nicaragua when the revolutionary movement began, anticipated that General Chamorro would seek to become dictator, and subsequent events proved the truth of the predictions then made. Before executing his final coup d'état Chamorro decided that it would be advisable to force the President of Nicaragua to recall the Minister in Washington and to name in his place a representative who would be friendly to his interests. Chamorro desired this because he did not wish to execute the coup d'état until his representative had been recognized as Minister in Washington, for he considered that on the execution of the coup d'état it would be immaterial whether his Government was recognized at once, inasmuch as his representative would be



EMILIANO CHAMORRO
President of Nicaragua

the duly accredited Minister. Chamorro thus forced the President to recall from Washington Pedro Gonzales, one of the ablest and most honest diplomatic representatives Nicaragua ever had. A friend of General Chamorro, Señor Renaco, was then made *chargé d'affaires*, and his place was later taken by Salvador Castrillo as Minister. General Chamorro had now secured full military control at home and complete diplomatic control in Washington.

UNCONSTITUTIONAL METHODS

Having become Secretary of War on Jan. 13, 1926, Chamorro next forced Congress to declare the election of about nineteen Senators and Representatives illegal, installing in their places the defeated candidates of the previous election. At the same time he had himself illegally elected a Senator in order to pave the way to the Presidency by what he pretended were legal methods. As he was then General-in-Chief of the army, his election was illegal and unconstitutional. But unless he were made Senator he would not be able legally to be appointed a "designado" by Congress, and that was the reason why he dictated his election. In order to become President he must bring about the resignation of the President, force the resignation of the Vice President and thus enable himself to be named "First Designate," the one entitled to the executive power on elimination of the President and Vice President. The resignation of the President was scheduled for Jan. 15 and Chamorro proceeded with his plans, notwithstanding that he had been informed that the United States would not recognize him and that the proclamation of his accession to the Presidency would be followed by the official withdrawal of the American Minister. Although Chamorro forced President Solorzano to tender his resignation to Congress, he did not permit Congress to accept it, in order that he might leave a door open by which to save himself in case he was not successful in his coup d'état. He simply put the President in the position of being on a leave of absence without exercising any power as an executive.

Under the laws of Nicaragua, when the President resigns or takes leave of absence the Vice President becomes his suc-

cessor. General Chamorro knew that his next step must be to eliminate the Vice President, Juan B. Sacasa. He sent soldiers for the purpose of arresting him and at the same time offered him a bribe of a diplomatic office to resign his office. The Vice President refused the offer and fled across the border to Honduras, whence he came to the United States. As it was still necessary to eliminate Sacasa legally from the Vice Presidency, Chamorro forced the Senate to bring impeachment proceedings against him on the ground of conspiracy, and he was given twenty-five days in which to answer the proceedings. Naturally Sacasa did not reply, and at the end of twenty-five days the Senate declared the office of Vice President vacant and banished Sacasa from the country for two years. Chamorro thereupon forced the Congress to name him "First Designate," the one entitled to executive power. Although the Senate may have tried to bring impeachment proceedings against the Vice President, irrespective of whether the grounds were *bona fide* or not, it did not have the right, under the Constitution, to declare the office vacant, because that right belongs solely to the Supreme Court.

UNITED STATES RECOGNITION REFUSED

Shortly after General Chamorro's assumption of the executive power, the American Minister, Mr. Eberhardt, withdrew formal recognition of the Nicaraguan Government by the United States, in conformity with the policy not to accord recognition to Central American Governments assuming power by unconstitutional means. Meantime the Minister continued to remain at his post to afford protection to American citizens and property. Under date of Jan. 19, the Nicaraguan Minister in Washington, acting under instructions from General Chamorro, sent a formal note to the Secretary of State, informing him that President Solorzano had resigned from office, and that on Jan. 17 General Chamorro had assumed charge of the executive power. On Jan. 25 Secretary Kellogg replied, stating that "the Government of the United States has not recognized and will not recognize as the Government of Nicaragua the régime now headed by Gen-

eral Chamorro, as the latter was duly advised on several occasions by the American Minister after General Chamorro had taken charge of the citadel at Managua on Oct. 25 last. This action is, I am happy to learn, in accord with that taken by all the Governments that signed with Nicaragua the Treaty of 1923." This absolute refusal of the United States to recognize General Chamorro's Government was concurrent with the similar refusals on the part of the Governments of the other four Central American countries to recognize the new Government.

Hoping to bring about recognition by the United States, through the sale of the railroad and bank to Americans, General Chamorro sent to Washington Señor Don Carlos Cuadras Pasos, President of the Senate, on a special mission of recognition. Meantime, Juan B. Sacasa, the exiled Vice President, who is the legitimate President of Nicaragua today, came to the United States and served notice on the directors of the American holding corporation, which is the legal owner of the bank and railroad, but all of whose stock is owned by the Nicaraguan Government, that they must not obey the orders nor recognize the demands of the Government of General Chamorro. This was particularly appropriate, inasmuch as Chamorro was making demands for the turning over of funds which the corporation was securing from the operation of the bank and railroad. Señor Sacasa's protest was directed especially against the validity of the acts of General Chamorro in his character of constitutional Vice President and legal successor of the President. Chamorro now knows that this special mission to Washington is a failure, for no reputable American will buy the bank or railroad so long as the United States refuses to recognize his Government and so long as any contracts that are made by him with reference to those properties are considered illegal.

CHAMORRO'S PRESENT POSITION

As acting President, Chamorro hopes that by holding on to the power until the next election he may be elected President at the polls, although the Central American treaty prevents the recognition of any person elected as President if such person

has been a leader of a revolution or has held a high military position during the accomplishment of the revolution. Chamorro is a military man and anti-American, and it yet remains to be seen what course he will choose to follow. Meanwhile, the Central American countries are viewing the Nicaraguan situation with concern. They have reached an era of prosperity, development and stability. Their sensible people do not want any more revolutions. They realize revolutions injure commerce and prevent the farmer's progress, because of his constant fear that his cattle and crops may be seized by the revolutionary armies. They believe that if General Chamorro were successful and should be recognized, it will open the entire Central American problem.

Chamorro's present position is similar to that of Madriz after the downfall of Zelaya. Madriz had illegally assumed the Presidency and the United States refused to recognize his Government on the ground that his title as President was defective *de jure* as well as *de facto*. Chamorro's position may also be compared with that of General Mena, who was Minister of War in 1912. Mena started a revolution and the American marines entered Nicaragua, at its request, and conveyed the troublesome Mena out of the country on an American cruiser to Panama.

In discussing the Monroe Doctrine, ex-Secretary Root has said that he believes it is the right of every sovereign State to protect itself by preventing a condition of affairs in which it would be too late to do so. If the United States should reach the conclusion that it should protect its best interests, General Chamorro should be taken out of the country on a cruiser. Although such a solution might secretly be pleasing to the countries of Central America, it would be distasteful to those of South America. Whatever steps are taken for the physical elimination of General Chamorro should be taken by the countries of Central America, under the auspices of and with the moral support of the United States, for they resent bitterly his having violated the Central American treaty, to which they are parties, and which he himself signed as a delegate at Washington. Unless this is accomplished



A parade in Managua, the Nicaraguan capital, for the purpose of demonstrating friendship for the United States. A feature of the parade was the carrying of a reproduction of the Statue of Liberty

bloodshed may come in Nicaragua and the problem of intervention may again stare us in the face.

In his inaugural address to the Congress of Nicaragua on Jan. 16, General Chamorro felt the delicacy of his position, when he said that theoretical appreciation of the treaties of Washington might possibly have influenced the United States and Salvador to consider his action in seizing the executive power as contrary to the terms of those treaties; but, he added, that only constituted a diplomatic contingency which could be explained in the future, when the events should be carefully examined and the situation analyzed. He concluded his address with the assurance that his Government was inspired with the ideals of effective guarantees for citizens, without distinction of class or party; full

and guaranteed liberty within the law. In his address at the second session of the Central American Conference of 1923, in referring to the conventions signed in Washington in 1907, he stated "they dried many tears at the source, and more than once they stopped the hand of a brother raised to strike another brother."

In view of what has since occurred in Nicaragua, one cannot avoid being amused in reading these addresses. If General Chamorro is sincere in desiring to promote the peace of his country, let him resign and again return to his ranch at Rio Grande across the placid waters of Lake Managua and under the shadow of Mount Momotombo, from which he so hastily emerged at a time that he thought opportunity to overthrow and secure control of the legitimate Government of Nicaragua.



Haiti's Progress Under American Protectorate

By MELVIN M. KNIGHT*

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LOUIS BORNO was elected on April 12, 1926, for a second four-year term as President of Haiti by the Council of State which he himself appointed. One of the twenty-one members was absent, and another cast a blank ballot, but the election was declared unanimous nevertheless, as no contrary votes were recorded. The Opposition contends that this election was unconstitutional, that M. Borno has violated the Constitution in various other ways with the support or assent of the American High Commissioner, and that the present Government is nothing but a piece of stage machinery, lending plausibility to the acts of the American Treaty Officials.

Article 11 of the 1918 Constitution guarantees the inviolability of domiciles, Article 16 the freedom of the press and Article 19 trial by jury for political offenses and those of the press. All these rights of Haitian citizens have been invaded, states the most sweeping syllabus of grievances,[†] taxation is without representation, the treaty upon which American control is based has been illegally extended from 1926 to 1936, and a \$40,000,000 loan, floated without the consent of the Haitian Parliament, threatens to keep the Treaty Officials in power indefinitely. There are other charges, such

as the brutality of the American-officered Gendarmerie, selfish economic exploitation by American companies, the depression of wages, and the corruption of morals.

The present non-parliamentary régime is a direct product of the intervention by the United States Marine Corps in 1915. If the Borno Government commits arbitrary, despotic and unconstitutional acts, we who created it are responsible. This is especially true in view of the fact that it is merely the legal glove which thinly cushions the hand of American administration by Treaty Officials.

Of the two grounds for holding President Borno's election illegal and void, we may first consider the claim that he is ineligible under the terms of Article 73 of the Constitution. This states clearly that the President must be the son of a Haitian who has "never renounced his nationality." Louis Borno's father was born in Guadeloupe, French West Indies, while the family was living in exile there in 1831. They appear to have returned to Haiti with French papers. Does "Haitian nationality" mean Haitian origin and African blood, as in the older Constitutions—thus making the peculiar clause merely a vestige of the times when Europeans could not acquire rights in Haiti—or is it equivalent to the term "citizenship"? Even in the latter case, President Borno's supporters claim that the matter has been legally cleared up by a declaration from the French Foreign Office that Robert Borno (the father) was not considered ever to have been a French citizen; a favorable decision by President Dartigue-nave's Council of State at the time Louis Borno originally became a candidate; and an opinion by the Supreme Court (Cour de Cassation) after that first election, in answer to a query from the

*Dr. Knight recently made an extended visit to the West Indies, for the purpose of seeing conditions at first hand. He interviewed prominent people of various factions in Haiti, from the President down, and also talked with poor people in the outlying districts.

[†]Memorandum of Perceval Thoby, official representative of sixty-one committees of the Patriotic Union of Haiti. Senator King of Utah had this read in the United States Senate on March 10, 1926, but it was stricken from the Congressional Record (Consult Vol. 67, No. 71, 69th Cong., 1st Sess., p. 5124 ff.) because of a point of order raised by Senator Wadsworth of New York. The document was printed in *The Nation*, New York, April 7, 1926, pp. 376-80. General Russell's reports as High Commissioner for two years were inserted instead in the above-cited volume of the Congressional Record, pp. 4130 ff.



Map of the Republic of Haiti

American High Commissioner. Whatever elements of farce may have entered into this decision, the legal competency of the court can hardly be doubted.

Aside from the issue of President Borno's eligibility, it is charged that the Council of State is not empowered by the Constitution to elect a President, this function being assigned by Article 42 to the National Assembly (the two houses of Parliament in joint session). A careful study of the adroitly worded French text of the Constitution does not bear out the contention that there is no provision for the election of a President otherwise than by a National Assembly. "Transitory Provision C" of the Constitution suspends this body indefinitely until the President shall see fit to call an election. The functions of the three parliamentary bodies are turned over to a Council of State in the meantime. M. Thoby and others of the Opposition have misinterpreted and mistranslated one phrase of the Constitution in the attempt to show that this Council has only the legislative functions of the suspended ones. "Transitory Provision D" gives the *Pouvoir Législatif* to the Council of State. The French expression in italics is capitalized in the Constitution. It does not mean merely "law-making functions," as these gentle-

men allege, but all the powers exercised by the parliamentary bodies. Any one who will take the trouble to read *Titre III* of the Constitution of 1918 will see that the "powers" exercised by the Haitian Government are divided into legislative, executive and judicial. The "Legislative Power" (*Pouvoir Législatif*), as there described in the first chapter under this exact heading, includes all the functions of the legislative bodies. One of

these is to elect the President and administer the oath of office (Article 42).

There is much to criticize in the administration of Haiti by American Treaty Officials, of whom the Borno Government is little more than a cat paw. Many who would gladly sympathize with an honest and intelligent opposition, however, will be alienated by M. Thoby's methods. What can be so holy, to his mind, about an American-made Constitution, foisted upon the Haitians by force and cunning in 1918? Nothing, of course. Nor does he compliment us in assuming that we are so lazy and legalistic as to swallow that kind of a brief whole.

As far as constitutionality is concerned, the Americans in Haiti have covered their tracks extremely well. In fact, a really effective indictment of our rule would probably consist of showing how this has been done, not in denying the fact that it has been done. The Thoby memorandum asks us to believe that the extension of our treaty from 1926 to 1936 was illegal. It was nothing of the sort. A "special article" near the end of the Constitution expressly ratifies and validates all acts of the Military Occupation and of the Haitian Executive to date. This was one of those acts, performed in 1917 and thus validated in 1918. As to the authorization of a

\$40,000,000 loan from the United States, this was the work of the authorities set up by the Constitution. These things may be deplorable, or scandalous, but if so, it is not because they are illegal; it is rather because of the cynically dexterous methods of legalizing them.

When M. Thoby wanders from legal quibbles, it is to make amazing, or even amusing, comments on economic and social conditions. When the Haitian *gourde* was pegged at 20 cents American gold, it was worth somewhat less in exchange. How, then, can the act have had "horrible" effects on the real wages of labor? If this is the result of stabilizing a country's currency, M. Thoby would do well to demonstrate the fact to economists. The charge that the ungodly Marines have corrupted the stern purity of Haitian family life is a little puzzling to those who have had opportunities to observe. It is to be taken about as seriously as the cry of alarm lest the country be depopulated because some thousands of peasants collect wages abroad at harvest time and return—because they are not allowed to remain in any of the neighboring countries.

If anybody is the dictator of Haiti, it is not Louis Borno, but the American High Commissioner. Under this official is a combined General Receiver and Financial Adviser. The Receivership collects practically all the revenues, and banks them in its own name. Who is "advised" by the American Financial Adviser? He advises himself, as Receiver, what to write checks for and what not to write checks for. To say that he advises the Finance Minister is a pleasantry. That gentleman is a non-entity, except in politics. He draws \$500 a month and perquisites and maintains a considerable staff of political supporters—also at very nice salaries, for Haiti. Collectively, this group does not know enough about Haitian finance to keep out of the way of the American office which handles the real work. It is an expensive dumb-show which serves merely to aid in maintaining the fiction that there is a Haitian Government. Is this American office honestly and efficiently run? It certainly is. The Haitians will not dupli-

cate it in fifty years, probably never in that climate.

Turning to the Department of Agriculture, the only part which amounts to anything is the American-managed *Service Technique*. It spends a lot of Haitian money, which goes for expert service. Not only does it experiment with crops, breeds of animals, pests and the like, but it also has a vast program for schooling natives in more effective methods of farming. The Director, Dr. Freeman, is a civilian. Our protectorate in Haiti has avoided the use of Marines and other Navy people in positions for which want of highly specialized training renders them unsuitable. Thus, one of the worst mistakes of the Military Government in Santo Domingo has not been repeated. Dr. Cumberland, the Financial Adviser-Receiver General, is also a civilian. It may be questioned whether it is proper for Haiti to have an American economic dictator, but there is no complaint of the particular one holding the position.

EFFICIENT AMERICAN OFFICERS

Commanders Butler and Cook of the United States Navy manage the Medical-Sanitary and Public Works services, respectively. The former is an authority on tropical medicine and the latter a thoroughly competent engineer. A serious attempt is made to utilize as many Haitian doctors and engineers as can be found who are really competent. Unfortunately, they are all too scarce, especially for the more responsible and highly paid positions. Finally, General Turrill, who is a Colonel in the United States Marine Corps, is the Commander-in-Chief of the constabulary (*Gendarmerie*). Here again, most of the high officers are American, largely because so few natives can measure up to the high standards set.

Every department of the Government, excepting that of justice, consists of an efficient American officer, performing an American type of service, so complicated in organization that the fringe of Haitians is practically shut out from any real part in the policies of administration for want of technical knowledge. The very efficiency of these services is in a way appal-

ling. If the Haitians could not manage their relatively simple society of 1915, how much less will they be able to run the complicated one which will have replaced it by 1936, when the treaty has run its course?

The real control is in the purse strings, held by Americans. President Borno receives \$2,000 per month as salary, another \$1,000 as entertainment allowance and the expenses of secret police, the free use of the palace, and \$575 per month for service, stables and automobile. All this adds up to well over \$40,000 a year. The self-perpetuating body which is nominally the Haitian Government is well paid, on the theory that all temptation should be removed. On the consequent assumption that it has been removed, their expenses are audited with a rigor which almost excludes the pilfering of a gallon of gasoline. Here is the real reason why Haiti is not allowed a Parliament. It is easier to control a small, well-paid group, whose acts and accounts pass under the scrutiny of the main office, than it would be to manage an elective Parliament. Suppose these representatives of the people should take it into their heads to amend the Constitution, for example!

Is it possible for a Constitution to be unconstitutional, if adopted in an unconstitutional way after all the constitutional methods have failed, and if vital parts of it are suspended by its own provisions? The history of the 1918 instrument was roughly as follows: The Haitian Parliament, elected under the old Constitution, was pressed to adopt a treaty with the United States which could not have been fully carried out without amending that Constitution. Then the Parliament was dismissed, and the country was governed unconstitutionally for two years by American Treaty Officials, together with the mutilated stump of the Haitian Government and certain new machinery sanctioned only by force and convenience. But a country like the United States, with a highly susceptible public opinion, cannot go on indefinitely governing a weaker people unconstitutionally. This was particularly true in 1918, when the air was full of mellifluous language about self-determination. We had somehow either

to bring our rule in Haiti into line with the existing Constitution or to get a new one more in harmony with our Administration. The obvious move was to get something which would pass for a national assembly or constitutional convention to legalize the existing régime. Every time this was tried, the Haitians refused to adopt what is Article 5 in the American-made Constitution of 1918, of which the first paragraph reads as follows: "The right to hold real property is accorded to the foreigner resident in Haiti and to companies formed by foreigners for the needs of their dwellings, their agricultural, commercial and industrial enterprises, and for those of instruction."

Then the happy solution was hit upon. To the 128 numbered articles of this document were added the six special ones mentioned above—the first constitutionalizing the unconstitutional acts of two years, and the other five suspending the representative machinery described in *Titre III*—and the whole submitted to "popular suffrage." The vote was open and the color schemes of the "yes" and "no" ballots were distinctive. Only 769 people in all Haiti cast ballots against the Government's program under its watchful eye. The new Constitution was adopted by 98,294 votes, from a population of about 2,500,000.

QUESTION OF POPULAR WILL

The question whether or not this was an expression of the sovereign will of the Haitian people divides itself into two parts. In the first place, why did they vote the proposition that foreigners be allowed to hold land, which no group of them could be found willing to pass? The answer is obvious—they did not know what they were doing. Americans looking at land with a view to purchase today often go out of their way to avoid villages, because they know that their mission would stir up hostility if suspected. Many holdings have been bought through natives which the Haitian owners would never have sold to foreigners. The other query is suggested by President Borno's circular letter to Prefects, dated Oct. 3, 1925, announcing that no parliamentary election would be held in January, 1926.



The old Fond des Nègres Road, Haiti, as it appeared in October, 1924

It condemned the "purely political" agitation for representative government on the ground that Haiti has no "popular, conscious suffrage," because the "rural population, which represents nine-tenths of the Haitian people, is almost totally illiterate, ignorant and poor. * * *" The question is,

if these people are so completely incompetent, in 1926, to perform a simple act like choosing somebody to represent them, why were they asked in 1918 to pass upon the most intricate of political matters, a complete body of fundamental law? There is just one answer: The rulers of Haiti



The Fond des Nègres Road, Haiti, as it appeared in April, 1925

meant to have that Constitution adopted, and other methods had failed.

Constitutionality is an academic issue in Haiti, and the friends and enemies of our protectorate know this equally well. The protectorate was set up by the time-worn devices, backed by the perennial superiority in force and technical knowledge, which other nations have employed in Egypt, Morocco and elsewhere. The British have made Egypt "independent"—whatever that word means in the particular case—and we may do the same thing in Haiti. All along, they made the same protests about the good of the people, and they also made vast material improvements. Why are we so sensitive about being as other nations are? Very likely we shall fulfill our promise when the treaty expires in 1936, and cut our interference down to a customs receivership—what Europeans call a "financial protectorate." Even this would end about 1953, if we do not lend the Haitians any more money. On the supposition that the present dictatorship will be over in ten years, let us turn to some of the practical issues.

When the American Marines landed in 1915, the only real road in Haiti was a short stretch from the capital up to a summer resort in the hills. Wheeled vehicles—even bull carts—were practically unknown. Outlying districts were practically independent, ruled by "Generals" who collected what they could get out of the poverty-stricken people and paid over to the Central Government what it could get out of them. Every little while one of these local dictators would tire of paying taxes, add a few bandits to the local soldiery, and march on the capital, pillaging and collecting more "soldiers" on the way. The Government could never keep in close touch with the various parts of the country because of the almost total want of communication facilities. Practically the entire population was subject to some disease or other, sanitation being unknown. Very little land was genuinely cultivated, and it has been asserted that there was not a plow in Haiti. Oranges grew wild, and tolerably good bananas practically so. Corn, pushed into the ground with a stick, received no further attention. Coffee and tree-cotton were

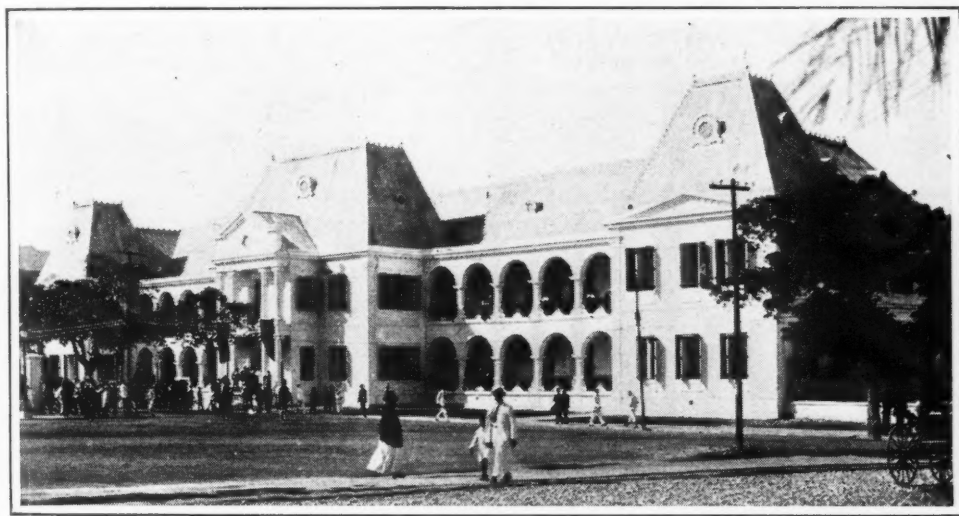
produced year after year with no labor except that of picking and carrying them to market. A few foreigners risked their capital in the hope of big profits from this trade. The Government was the farmed concession of the political group in power, which collected all it could and then borrowed. Few people in Haiti could read.

VAST IMPROVEMENTS

Now the revenues are increasing year by year, the Administration is efficient and honest, the public debt is being paid off, and there is generally a surplus in the Treasury after the needs of the budget have been met. The ruins of old French irrigation works are gradually being restored and their former vast sugar lands again reclaimed from the jungles. Surveys and experiments are in progress for the first time since the French were driven out, to find out what rôle Haiti might play in touch with the civilized world. A network of roads has already reached the stage where orderly government and systematic economic life on a national scale are possible. It will soon equal the French one which the Haitians allowed to crumble into utter ruin, and will be far superior to it by 1936. A really disciplined force of gendarmes has replaced the old arbitrary system of local tyrants. Most of the old abuses, exactions and atrocities have disappeared. The peasant no longer hides in the jungle to avoid robbery and conscription, but builds his house along the road, and tries to improve his living conditions, his life and property secure for the first time in more than a century. Instead of a cloud of utterly incompetent "Generals" and "Colonels" who sucked the life blood of the country when they were not harrying it with revolution, and the hordes of unpaid soldiers who had to pillage or starve, there is now a small and well-paid police force which costs vastly less and is worth infinitely more. The Government materially aids production, encourages thrift, fosters the kind of education which benefits the common man, and is making superhuman efforts to stop the ravages of epidemic and endemic disease which had previously caused untold misery.

In a thousand subtle ways, say the Americans and Haitians of the ruling group, this civilized work is taking effect. The savage rites of voodooism, freely practiced, although long illegal, are disappearing before the proofs that medicine is a better curative than magic. Healthier sports, such as football, are gradually replacing cockfighting and revolution. The institution of legal marriage is being introduced among the poorer people, stabilizing family life and protecting the helpless

caste Haitians do not get drunk, and the common people do so only on ceremonial occasions. It is regarded as unedifying to see an American officer drunk in town in the daytime. I myself saw one in the capital unable to get into his car by himself at 8 o'clock in the morning. Helped in, he zigzagged up the street at a pace which endangered pedestrians and traffic, if not the fronts of the buildings. Complaint is made that enlisted men of the Marines are made officers in the constabu-



Palais des Finances, Port au Prince, Haiti, the building of which was completed Dec. 1, 1925

young. Above all, at last, there is peace and security. Banditry has ceased, people are generally disarmed, and nobody fears revolution any more. Man or woman can walk from one end of the country to the other without so much as a stick for protection.

To the charge of M. Thoby and others that the Americans entered Haiti by force, suppressed the Haitian Government and replaced it with one planned by themselves through the use of whatever ingenious but disingenuous methods seemed to promise success, there is no answer except that the needs and results have justified the means. It is urged that every abuse of power by an American officer is a scandal because he is a foreigner. Even if a Haitian should be ten times as bad, he is at least a Haitian, and it is his country. Higher

lary and sent out to lonely districts, where the gravest abuses of unaccustomed power are possible. They are accused of corrupting the morals of Haitian women by the bad example of living too openly with Dominican ones.

American investors as a whole have doubtless lost a good deal more money than they have gained since 1918, when we were so insistent about the opening of Haitian lands to American enterprise. This, however, was certainly not the intention, past or present. Citizens of the United States have acquired a great many thousands of acres. An American company controls the National Bank. The best wharf concession in the Republic is in the hands of an American corporation.

More to the point are the charges leveled at the financial policies of the American

Administration. The methods of raising the rather large sum of \$8,000,000 last year are criticized. Some import duties are oppressively high, and the export tax on coffee is particularly resented. The peasant who pays this, and then buys heavily taxed imports with the money is doubly taxed. Large loans contracted for pushing public works are resented on the ground that they threaten to keep the customs receivership in Haiti indefinitely.

AMERICAN SHORTCOMINGS

In some way, the American administration has been too efficient and economical, if its main aim is really to develop the prosperity and capacity for self-government of Haiti. There are too many prisoners engaged in construction work for the State. Some Haitians will never forgive the Americans for building much of the original road from the capital to the northern plain with forced labor, using an old labor-conscription law (*corvée*) which had been obsolete for years. One printer complained to the writer that a Government printing service made it hard for the private firm or individual to make a living. There is a practically useless American railway which draws a heavy subsidy from the Government, under a contract made years ago in a way not entirely free from suspicion. After all, the one charge which stands out is that Americans draw too much pay from the public revenues of Haiti—a situation which is not improving, and causes uneasiness about the probability of withdrawal in 1936.

The answer to the question whether we have done all that we might is that we have not. Let the American Treaty Officials make public an exact statement of the amount of money paid to Americans

as salary and extra pay. Since this is Haitian money, surely it would not be asking too much that we match it with an equal sum devoted purely to the training of Haitians abroad, so that they may be able to take over these more responsible technical positions as rapidly as possible. I am assuming in this that we are sincere in our statement of intentions, and actually mean to withdraw from Haiti as soon as the people can carry on without us.

It is not enough to appoint a few Haitian Lieutenants and Captains, with perhaps a Colonel or two, in their own Gendarmerie. We ought to be looking forward to a Haitian Commander-in-Chief. The same applies to engineers in the public works and doctors in the sanitary service. Probably our agricultural schemes for Haiti are too ambitious, and imperfectly adapted to the country. Farming is more like a big industry in the United States even than it is in Europe, and we do not understand peasant proprietorship very well. If we construct vast irrigation works, the land will probably have to be owned and managed by big foreign companies, which will expect to employ the cheap Haitian labor in the cane or sisal fields. The Haitian wants to own his land and work for himself, and if it is really for him that we are developing the country, we have no right to lay out a program which will violate his wishes.

Finally it would be in good taste for us to avoid such expressions as "niggers" and "one jump from a limb." It is not our country. Naïve imperialism is particularly nauseating when couched in moral terms. One officer had either the impudence or the innocence to complain about Haiti's neglected duty to "produce for the world"!



The Vatican's Present Position in Europe

By ROBERT MACHRAY

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WITH the collapse and dissolution of the Austro-Hungarian Monarchy the Vatican, meaning thereby the political and diplomatic side of the Papacy, lost to a large extent the strong position it had long held in Central Europe. Before the Great War, the Vatican had in the Austrian Kaiser-Hungarian King its chief political ally and asset. Of the fifty millions of peoples over whom he ruled, 8 per cent. in Austria and upward of 50 per cent. in Hungary were Roman Catholics. Within his realms the Church was thoroughly organized under its hierarchies for all purposes approved by the Sovereign Pontiff. A glance at a pre-war map of that area is almost sufficient in itself to indicate how great a power the Vatican might and did probably exercise in Central Europe in those days. Add to this the fact that the alliance of the Dual Monarchy with Germany put the Vatican in closest political touch not only with Roman Catholic South Germans, as in Bavaria, but with all German Roman Catholics, whether in Germany or elsewhere. Indeed, in Germany, as a whole, the Vatican was more powerful than it had been for many years. Such a conflict as that of a *Kulturkampf*, which even in Bismarck's day, great as that day was, undoubtedly was a failure, had become absolutely unthinkable. But the defeat of the Central Powers, which had not been foreseen and certainly was not desired by the Vatican, radically altered the situation, at least for a time. Emperors, Kings and reigning princes, all shining pieces in the game of high politics, were cast down from their thrones. Protestant royalties shared the same fate as Roman Catholic. Among the latter, the "eldest" and the elder "Sons of the Church," deprived alike of honors and heritage, ceased to possess political weight and prestige, while new

and in many cases unknown and untried men took their places and assumed something, at any rate, of their authority. During a short period disorders and fluctuations manifested themselves to the general confusion while the peace treaties were being negotiated. Presently there arose, but with outlines still shaky, the fabric of a new Europe.

How sweeping was the change brought about in Europe by the war another look, but this time at a post-war map, after the peace treaties had done their immediate work, shows at once and unmistakably, especially in Central Europe. New States, such as Czechoslovakia, have emerged. The old States of Austria and Hungary have suffered such reduction of territory as to be almost unrecognizable. One old State, Poland, has been resuscitated, and has become the sixth largest country of the continent, with its boundaries reaching south to the Carpathians. Rumania has doubled its area, and Yugoslavia has been immensely enlarged. The changes came about partly at the expense of Germany and Russia, but their main incidence bore most heavily on the former Austrian Empire. It is the boast of the Church of Rome that, founded on a rock, it not only survives but is superior to all shocks and disasters. This, however, has never prevented it from taking stock of its position from time to time and making such adjustments as are possible. Looking over the new Europe, the Vatican soon perceived that while thrones had fallen and frontiers shifted, the peoples in the mass were of the same religion as before. There were just about as many Roman Catholics in 1920 as there were in 1914. The base, which had supplied the old leverage, still existed. And as regards the new political groupings, if there was loss and serious loss,

there was some compensation in the fact that Poland, resurrected and reconstituted, was solidly devoted to the Holy See and might be counted on in large measure as a supporter of the policies of the Vatican. Czechoslovakia had a large Roman Catholic majority; Slovakia was intensely Roman Catholic. In the triune Kingdom of the Serbs, Croats and Slovenes, nearly 40 per cent. of its population belonged to the Roman Church, as against 47 per cent. Greek Orthodox. Even in Rumania, predominantly Orthodox, about 9 per cent. was Roman Catholic. The Church of Rome was in fact as strong as ever numerically in the territories that had been Austro-Hungarian; the old nexus, the Emperor-King, was gone. What more natural, it might be asked, than that the Vatican should take his place?

In the second month of the great war Benedict XV succeeded Pius X as Roman Pontiff. Some eight years later Benedict died and was succeeded by the present Pope, Pius XI. During all that period Cardinal Pietro Gasparri was the Pontifical Secretary of State and directed the policy of the Vatican. It was he who made in the main the disposition of the Church's forces that was deemed best suited to meet the conditions of the new Europe.

STATUS OF CHURCH AT END OF 1925

But Pius XI, formerly Nuncio at Warsaw and possessed of a profound knowledge of Central Europe, has now himself a good deal to say in the matter. On Dec. 14, 1925, the Pope delivered an allocution in which he spoke of the drawing to its close of the Holy Year of Jubilee, with its canonizations, missionary exhibition and the celebration of the sixteenth centenary of the Council of Nicea. He gave prominence to the foreign relations of the Vatican. And here it may be interjected that the Vatican maintains diplomatic relations with Austria, Bavaria, Belgium, Czechoslovakia, France, Germany, Great Britain, Holland, Hungary, Poland, Portugal, Rumania, Spain and Yugoslavia, as well as with most of the American republics, the marked exceptions being the United States and Mexico. In his allocution Pius XI referred at some length to the separation of Church and State in Chile, and he also

noted that the "condition of Catholic things" in Mexico had gone from bad to worse. He stated that clouds were hanging on the horizon of the Argentine Republic, Czechoslovakia and Yugoslavia, in which countries, he maintained, "we have done no more than assert and defend the honor of God and the sacred rights of the Catholic Church." He pointed out, however, that, "as if in compensation," the situation *vis-à-vis* France was more encouraging from the Vatican point of view than it had been for along time, and that concordats had been concluded with Poland and Bavaria "with no lack of good-will." The ceremony closed with the naming of four new Cardinals, one of whom was the Nuncio in Brazil and another the Nuncio in France.

In the course of the allocution the Pope alluded to the "Roman question," the problem that involves the relations of the Vatican with the Italian Government, and he deplored the "existing condition of things." With respect to this condition it may be said that for some time the actual situation under the Fascist régime appeared to be better than it had been since 1871, when the temporal power of the Pope was abrogated. There were approaches to an understanding between the Vatican and the Chigi palace, but these have rather faded away. Mussolini is somewhat too much of an autocrat to suit the Vatican, the spirit of which, if not its precise motto, is *Caesar aut nullus*.

Confining our view to the general position of the Vatican in Europe (a revival of influence in the Americas can scarcely be predicated), it must occur to any one who regards it even superficially that as compared with Protestantism, as a whole, Roman Catholicism has the enormous superiority that inevitably belongs to a single, huge, powerful organization, inspired throughout all its ramifications by the same aims and highly developed by the same discipline and obedience, radiating from Rome, the focus of centralization and of supreme authority, to the Church's smallest and remotest parishes. The Church of Rome is one, whether for attack, defense or the maintenance of any existing status, and it speaks with one voice. How different is the case with Protestantism,

with its many divisions and multitudinous voices! The shock of the changes brought about by the Great War was felt far more seriously by the Protestant denominations than by the Roman Catholics on the Continent. Both suffered from the loss of support by the State, as in Germany, but the Protestant Churches far more, not only on account of the disappearance of Government subsidies and grants in aid and through the confiscation or destruction of ecclesiastical and educational buildings and properties, but also because of the Protestants' lack of cohesion and unity.

In Great Britain, with its national Church of England and national Church of Scotland, there was nothing of the kind; but in the United Kingdom politics has long been divorced officially from religion, and this phase is virtually unknown. Of course, there is a British Minister to the Vatican, but he has very little to do. It may be the case, however, that the mandate for Palestine, which covers Jerusalem and the holy places, may eventually give him some trouble in this respect, for the keeping of holy places has seldom meant the keeping of peace, as is paradoxical but human. In Britain socialism was not and is not opposed officially to the churches, whereas on the Continent it usually was and is, which accounts for much of the loss the continental churches were called on to endure. Only to a very limited extent did the British Protestant churches send help to the Protestants on the Continent. Making use of its splendid organization, the Holy See was able to assist and did assist its impoverished members everywhere, with the result that its political and diplomatic power was greatly strengthened. The strengthening of the Vatican in Germany has produced a certain reaction in the German Protestant Churches, which are now stronger than they were. In Holland, which has a large Ro-



POPE PIUS XI

man Catholic minority, long inert, the Vatican makes distinct progress. On the Continent, generally speaking, Protestantism, disorganized and enfeebled, seems to be undergoing eclipse; it is the reverse with the Vatican, which, also generally speaking, is in the ascendant, much ground having been recovered during the last four or five years. There is one striking exception, and it is found in Czechoslovakia.

One of the most beautiful and interesting countries of the world, Czechoslovakia as a State has to be interpreted in the light of its past history. This new State consists of Bohemia, Moravia, Slovakia, part of Silesia, and the small autonomous area known as Carpathian Ruthenia. Bohemia,

once a kingdom of great importance in Europe, is a land of tragic memories, centering in John Hus, the Hussite struggle under arms, the conflict with Austria, and the termination of that conflict in the calamitous battle of the White Mountain which sealed the doom of the country. Nearly three hundred years elapsed before it recovered its independence, but these memories remained fresh and dominant in the consciousness of its people, the Czechs. John Hus was a great patriot, and in his advocacy of human liberty stands out a heroic figure among the first great Protestants. The rigor of Austrian rule forced a majority of the much-reduced population of Bohemia, subsequent to the battle of the White Mountain, to become Roman Catholics, though a considerable minority retained their Protestantism. Even among those who under pressure had become Roman Catholics the Hus tradition survived, and it would not be too much to say that the Czechs continued to be interpenetrated with the spirit of the Reformation, whether in Bohemia or Moravia.

One of the first results of the regaining of their independence was a strong movement which may be described as a revolt from Rome. At the beginning of 1920 the reformed clergy of Czechoslovakia decided to withdraw from the jurisdiction of the Holy See and to found the Czechoslovak Church; in the following year it had a membership of half a million, and its sympathies and affiliations are with the old Catholics and the Church of England.

Side by side with this development a remarkable increase of all the Czech Protestant denominations must be noted. In origin all these denominations went back to the Reformation, and they had succeeded in maintaining themselves through the three dark centuries of Austrian oppression. President Masaryk, in a statement issued a year or two ago, said:

The religious movement among us has aroused great attention abroad, attention which is all the greater because nearly everywhere Catholicism is gaining ground or at least authority, while among us the tradition of the Reformation is stronger. Even abroad it is now beginning to be understood that the Czech problem was of more than merely a narrow political significance. * * * In Austria there was no liberty of conscience; in our democratic republic genuine liberty of conscience,

the toleration and recognition of what is good and what is better, must be not only codified but also practiced in all the spheres of public life. * * * Democracy is the political form of humanitarianism. By toleration we shall make our way from the Habsburg theocracy to democracy. Jesus, not Caesar!—this is the meaning of our history and democracy.

CZECH CONFLICT WITH VATICAN

Dead for more than five centuries, Hus was a living force in Czechoslovakia, and from his ashes he challenged the Vatican. The conflict came about in the simplest way. The Czechoslovak Parliament passed a law establishing certain State holidays and days of commemoration. By this statute July 6, the day on which John Hus was burned at the stake at Constance in 1415, was proclaimed a national holiday. The Parliamentary report which accompanied the measure emphasized the merits of Hus, both with regard to the past and the recent regaining of the national independence. During the discussions in the Parliament the Vatican was informed of the national aspect of the cult of Hus. The Papal Nuncio in Prague protested, but diplomatic relations were not broken off. A week or so before the first celebration (1925), it was reported in the Czech press that President Masaryk had agreed to patronize the affair and that the Prime Minister had accepted honorary membership of the Organizing Committee. At Rome Cardinal Gasparri, Pontifical Secretary of State, summoned before him the Czechoslovak Minister at the Vatican and expressed to him his protest against the President's patronage of the Hus celebration and the Prime Minister's support of it, which he regarded as an offense against the Holy See. At the same time he stated that the Nuncio, in view of the celebration, could not remain in Prague, but would most probably be recalled to Rome. Dr. Benès, the Czechoslovak Minister of Foreign Affairs, saw the Nuncio, and pointed out to him that it was the intention of his Government to show tolerance to everybody and to respect the sentiments of both Catholics and non-Catholics, similar tolerance being expected to be shown by the Vatican.

Instructions were sent to the Czech Minister in Rome to tell the Cardinal that the

participation of President Masaryk and the Prime Minister in the Hus celebration was not to be read as an unfriendly act aimed at any one at home or abroad, but was to be taken as a tribute to a great man in the history of the Czech nation in compliance with the views of the great majority of the population, whose feelings constituted a political factor that must be respected. These instructions also contained the assurance that the Czech Government had no desire to be disputatious. But they were firm in stating that it was impossible for the President and the Prime Minister to withdraw from the stand they had taken. Dr. Benès saw the Nuncio again, and while stressing the fact that the Government did not wish to cause a quarrel or any ill-feeling, he maintained that it was inadmissible for the supreme representatives of a liberated nation not to fulfill their obligations to one of the greatest figures in Czech history, especially on the occasion of this first national celebration. But the Vatican would not listen, and on July 6 the Nuncio was recalled to Rome. Two days later the Czech Minister to the Vatican was recalled to Prague, a *Chargé d'Affaires* being left in each case.

Naturally the withdrawal of the Nuncio made a sensation throughout Czechoslovakia and had an instant effect on its internal politics. The situation was hotly discussed by the clubs of the various political parties, and the press took sides; the pro-Vatican newspapers treated the action of the Government as an act of hostility to the Holy See, and this, in its turn, caused all the rest of the Czech journals to describe the recall of the Nuncio as a provocative interference of the Vatican in the internal policy of the country and as a demonstration against the supreme representatives of the State—an insult to the State's sovereignty. At a largely attended meeting in the Václavské Náměstí (the main public square) in Prague the action of the Vatican was unanimously condemned, and it was urged that diplomatic relations with the Holy See should be severed. Under pressure of public opinion, manifested at many meetings throughout the land, the Government issued a statement in which it declared that it was not responsible for what had occurred, that it had been striving to

adjust relations with the Vatican and that in this matter it had proceeded in accordance with its full rights and duties, while giving due consideration to the sentiments of the Catholic population. Further, it stated that the Government desired a rapid solution of the controversy, as well as a peaceful settlement of all Church questions which would be just to all religious bodies. The statement wound up by saying:

No other solution of the conflict can be thought of, however, than one which will make the rise of any similar conflict impossible. The Government must, therefore, in case of negotiations with the Vatican, have a guarantee that the introduction of the Hus Day of Commemoration will be regarded as settled by the law in force, and that it will be exclusively and solely within the power of the legal representatives of the Czechoslovak people to decide the nature and form of the celebrations on that day, with the participation of the State, which is a matter of internal policy.

This declaration was sent to the Papal *Chargé d'Affaires* at Prague on Aug. 5, 1925. Cardinal Gasparri replied to it on Sept. 28, and the burden of his answer appeared in its closing sentence, which was to the effect that the Cardinal doubted whether the Czechoslovak Government was really willing to permit the Nuncio to carry on his duties in Prague without prejudicing his apostolic mission. *Czech*, the organ of the Czech Catholic hierarchy, announced that the Vatican would refuse to discuss matters with the Czech Government so long as Dr. Benès remained Minister of Foreign Affairs. Yet the controversy, as the months have gone past, has gradually grown less bitter, and as this article was being written, the prospect of a settlement was not unfavorable, but that settlement will not involve any surrender by the Czechs of their present position.

ROME'S CONTROVERSIES WITH YUGOSLAVIA

Nothing like so serious has been the controversy between Yugoslavia and the Vatican, but it is of scarcely less interest. Prior to the war Serbia had a very small number of Roman Catholics, but its union with Croatia and Slovenia, preponderantly Roman Catholic, changed the situation. Before the war, Serbia had a concordat with the Holy See which provided, among other things, for the use of the old Slav or Slavonic liturgy, instead of the Latin, in certain parts of Dalmatia. The Yugoslav

Government would like to see this ancient liturgy, which is still in a language "understanded of the people," in use throughout Dalmatia and the rest of the country and Latin discontinued in the services. The Government's reason for this is obvious—the strengthening of national Yugoslav feeling. On the other hand, the extended use of the old Slav liturgy found little or no support on the part of the Yugoslav hierarchy, the Archbishop of Sarajevo, in particular, being almost violently opposed to it. This weakened the position of the Belgrade Government, and involved the danger of internal dissensions between Church and State. But the adhesion of M. Raditch* and the Radicals, representing very largely Roman Catholic opinion in Croatia, to the central Yugoslav Government brought the Government new strength.

Another subject of dispute between Yugoslavia and the Vatican is connected with the College of St. Hieronymus (Jerome), founded at Rome in 1453 and serving, like the *Collegium Germanicum*, for the training of priests of some special nation: in this case the nation was the "Illyrian." In course of time Austria-Hungary acquired influence in the management of the college. During the war the Italian Government sequestered it as enemy property, but in 1924 conceded to the Yugoslav Government the rights previously exercised by Austria-Hungary, and the Yugoslav Minister to the Vatican took over the buildings and property. Then the Vatican stepped in, removed the rector of the college and replaced him by another man. The Yugoslav Minister protested and went off to Belgrade for instructions. For some time it looked as if diplomatic relations would be broken off. The Yugoslav papers took the matter up hotly, while M. Raditch, the Radicals and the Independent Democrats most keenly resented the line taken by the Vatican. The other side of the medal is that the Croatian and Slovene People's Party endorsed the action of the Vatican,

which was also approved by the Yugoslav hierarchy. Negotiations continued between Cardinal Gasparri and Belgrade, but without result; it was expected, however, that a compromise would be reached.

After three years of struggle the Vatican has concluded a concordat with Rumania. With the addition of Transylvania, Bukovina and the Banat, all pre-eminently Roman Catholic, to the pre-war kingdom, it became desirable for Rumania to arrive at an understanding with the Holy See, but this was rendered difficult owing to the fact that the Rumanian Government suspected the Vatican of encouraging irredentist intrigues. Perhaps the greatest obstacle to an agreement was the claim of the King of Rumania to be called "Apostolic King," a title that had belonged to the Kings of Hungary. This claim finally was abandoned by Rumania and concessions were made by both parties, the result in general being favorable to the State rights and interests of Rumania. With regard, then, to the three countries forming the Little Entente—Czechoslovakia, Yugoslavia and Rumania—enough has now been said, first, to show the nature of the activities of the Vatican and the reaction to them of the three States in defense of what they deem their national rights, and, secondly, to suggest that there was some substance in the idea that the Vatican sought to put itself in the place made vacant by the disappearance of the Austro-Hungarian sovereign.

As regards the rest of Central Europe, it may be observed that, touching Poland, the Vatican has supported the Poles in their quarrel with Lithuania over Vilna, as the Pope has made Vilna and the Vilna District an integral part of the hierarchical system of Poland, despite the protests of the Lithuanians. The "Clericals" are dominant politically in Lithuania, but they have not hesitated to break off relations with the Vatican.

While reports of the use of the influence of Rome at the March meeting of the League of Nations at Geneva, with a view to obtaining seats in the Council for certain claimants are denied and are not confirmed—these reports in themselves do, without doubt, indicate the revival of Vatican strength in Europe; this is their real significance.

* Stefan Raditch, formerly leader of the Radical opposition to the Belgrade Government on behalf of Croatia. After being released from prison he adhered to the Government and was made Minister of Education. Certain radical utterances by him during a tour of Bosnia and Herzegovina led to a Cabinet crisis during the second week of February; Raditch and four other Croatian Ministers were forced to resign on April 1, and the Pashitch Cabinet fell on April 4 as the culmination of the crisis.—ED.

The Case Against Capital Punishment

By HARRY ELMER BARNES

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THE question of capital punishment is still a subject for animated debate, and has taken on a renewed interest with the growing alarm over the so-called "crime wave" of the present time, with the resulting demand for a revival and intensification of the archaic modes of repressing crime. The present writer would introduce his discussion of the subject by a statement somewhat unusual for the introductory paragraph of an article, namely, that he does not look upon the question of capital punishment as of any particular significance, whether viewed from the standpoint of the conventional jurist or from the point of view of the most radical criminologist. It is a problem which relates to only a minute fraction of the criminal classes as a whole, and it involves a discussion of issues which are to the educated and scientifically minded person of purely historical significance. Not a single assumption underlying the theory of capital punishment, as at present applied, can be squared with the facts about human nature and social conduct which have been established through the progress of scientific and sociological thought in the last century and a half.

In fact, it is the opinion of the writer that the whole concept of capital punishment is scientifically and historically on a par with astrological medicine, the belief in witchcraft, the Fundamentalist view of Biblical authorship and the rejection of biological evolution. In his famous "Historical Essay Concerning Witchcraft," written in 1713, Francis Hutcheson assumed that the whole set of assumptions upon which the witchcraft epidemic rested had already become hopeless anachronisms. A similar attitude is taken toward Mr. Bryan by men like H. L. Mencken, James Harvey Robinson and Edwin Grant Conklin. This is the attitude which also may well be assumed by the criminologist in discussing

the matter of capital punishment. The doctrine of human behavior, the theory of the nature of the human personality, the explanations of human conduct and the conceptions of justice which dominate the thought of the conventional jurists and penologists who advocate the death penalty are no more valid in a scientific sense than astrology, witchcraft, the thesis of the literal and direct inspiration of the Bible or the doctrine of a special creation of the world and its inhabitants in the five days between Oct. 18 and Oct. 23, 4004 B. C.

It is necessary at the outset to understand exactly what is meant by capital punishment, as the subject is to be discussed in this article, and to keep clearly in mind the underlying doctrines upon which the criminological theories of the exponents of capital punishment actually rest. By capital punishment we mean the involuntary termination of the life of an individual convicted of a crime, this cessation of corporeal existence being the penalty extorted from the individual as the direct consequence of the commission of a crime. At the present time the discussion is, for practical purposes, limited to the exaction of the death penalty for the commission of the act of premeditated murder.

In its origins the death penalty rested primarily upon the effort to placate the gods, lest their beneficent solicitude for the group be diverted as result of apparent group indifference to the violation of the social codes supposedly revealed by the gods of the people. The complete blotting out of the culprit was looked upon as a peculiarly forceful demonstration of the group disapproval of the particular type of anti-social conduct involved in the case.

Later, with the rise of the metaphysical theories of human conduct, the individual came to be looked upon as a free moral agent entirely capable of free choice in every aspect of his conduct, wholly irre-

spective of biological heredity or social environment. From the standpoint of these assumptions the criminal was inevitably looked upon as a perverse free moral agent who had willfully chosen to do wrong and outrage his social group. The theory of capital punishment which evolved in this period was that of revenge. His life was demanded of the individual who willfully determined to carry out an act which brought some serious loss to his social group.

More recently the exponents of capital punishment have added to this underlying notion of revenge that of deterrence, namely, the thesis that the death penalty acts as a powerful form of discouragement to criminal conduct on the part of those who are aware of the existence and terrors of this mode of treating the criminal class. At the present time the exponents of capital punishment lay more stress upon the alleged deterrent influence of the death penalty than upon any other argument in its favor. They not only assume the overwhelming deterrent influence of punishment in general, but they also contend that the death penalty is a far more powerful and effective deterrent than life imprisonment. It need scarcely be added that the friends of capital punishment still hold tenaciously to the free moral agent theory of crime, contend that the criminal voluntarily and freely chooses to be guilty of anti-social action, and steadfastly maintain that the criminal or his survivors may be effectively deterred from again willing to commit crime through the pain or example of punishment.

It is a significant fact that the scientifically minded person can only approach the refutation of those assumptions of the exponents of the death penalty in an attitude of mingled amusement and impatience, much as he would if compelled to engage in a serious argument to refute the astrological theories of the pathogenesis of physical disease as expounded by Hippocrates and Galen. Modern physiological chemistry, dynamic psychology and sociology have proved the free moral agent theory of human conduct preposterous alike in its assumptions and its implications. The human animal has his conduct and his thoughts absolutely determined by

the combined influences of his biological heredity and his social surroundings. There is not the slightest iota of choice allowed to any individual from birth to the grave. Conduct can be altered only by alterations in the organism or by the introduction of new or different social influences and forms of stimulation. Those whose biological heredity is adequate, whose social surroundings are normal or above the normal and whose education is sound and constructive will conduct themselves in a law-abiding manner and avoid the commission of crime except under the most unusual and inciting circumstances. Those whose biological heritage is defective and who are subjected to a social environment which stimulates anti-social action and breeds anti-social habits will be equally naturally inclined toward anti-social or criminal action.

CRIMINOLOGIST'S STANDPOINT

If one desires to eliminate crime it is apparent that this can be achieved only by providing ever greater assurance that defective types shall not be born and that unfavorable social environments shall not exist. In the light of a strictly scientific attitude toward crime and the criminal it is as absurd to speak of punishment for crime as to speak of punishment for physical or mental illness. Yet we cannot ignore crime. Indeed, the scientific sociologist and criminologist is much more solicitous over the matter of the repression of crime than even the policeman, the detective or the conventional jurist. The difference is that the criminologist has a grip upon the real facts involved in the causation of crime and is interested in taking those measures which will actually protect society from the depredations of the anti-social classes.

Applying the scientific precepts and procedure to the questions of murder and the death penalty, the criminologist first logically asks the question as to why people actually murder, and what types of persons commit murder. Until we know what types execute homicides and why they do so it is obviously futile even to discuss the proper measures that should be taken to reduce the number of murders committed. From our knowledge of psychology, particularly

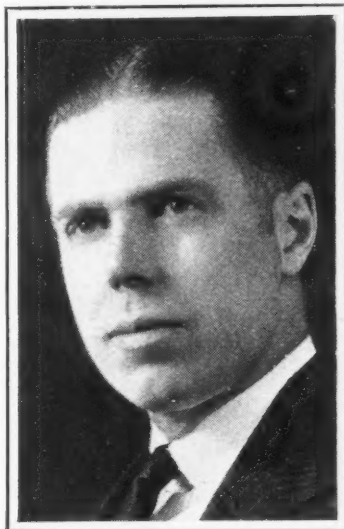
abnormal and criminal psychology, we know that the vast majority of murders are committed either as the result of deep-seated subconscious criminal compulsions, which find outlet in the greatest variety of murderous acts, or in moments of intense and utterly irresponsible anger. A few individuals commit murder in what is apparently cold deliberation. Such individuals fall into three main classes:

First, there are those who suffer from serious physical, mental and cultural deficiencies which make it possible for them to contemplate murder as a more or less natural form of conduct. Their social point of view is so defective, or their sense of fellow-feeling and sympathy so ill-developed that the compunction against taking human life which exists in the normal individual is more or less absent in their case. The second type is those who are relatively normal physically, mentally and culturally, but who are subjected to intensely difficult or inciting situations which lead them to commit murder, whereas under normal circumstances they would lead a law-abiding existence. In the third place there are the professional gunmen, who bear a close resemblance in their mental habits to members of the standing army. Their attitude toward the taking of human life is very much like that of the soldier on the battlefield, namely, it is taken as a matter of course, not involving any personal responsibility or depravity. In the environment in which they have developed they have acquired the view that human life is of no great consequence and that it is legitimate to take life freely in order to advance their personal prestige or prosperity. Gunmen represent a sort of civilian soldiery of a perverted type who kill casually for their own advancement, whereas a member of a standing

army is supposed to kill casually to increase the power and prestige of his country. It is obvious that the gunman is the victim of bad social habits which have deprived him of his sense of responsibility and his notion of the value of human life.

The next logical point at issue is as to whether the death penalty as at present imposed would act as an effective deterrent to these various classes of murders. It will be apparent at the outset that those

who commit murder as result of psychopathic compulsions or in fits of rage would be entirely immune to the deterrent effect of the death penalty. No form of deterrence short of overt physical restraint before the deed could in any sense serve to avert such murders. The same is true of those who commit murder as a result of defective personality or highly unfortunate social environment. Nor can the death penalty be supposed to act as an effective deterrent in the case of the professional gunman. He realizes that the chances of his being apprehended at all for his crime are



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relatively slight, that the probability of his conviction after arrest is not more than 50 per cent., that he runs a good chance of being released on a technicality in appeal even if convicted, and finally, that if sentenced to death he is highly likely to have this sentence commuted to life imprisonment and will be ultimately pardoned and restored to a life of freedom. The average gunman is no more deterred by the fear of the electric chair than is the average voluntary recruit by the remote chance that he may fall upon the battlefield. We have remaining as the only possible class of murderers who could be at all influenced by the deterrent effect of the death penalty those who commit murder under the stress of unusually adverse circumstances, mainly for the purpose of pecuniary or other material advantage.

Even here the death penalty could scarcely act as a highly effective deterrent, because of the consciousness of a large probability of escaping its application.

The above facts demonstrate that the death penalty, even if applied invariably to every apprehended and convicted murderer without any subsequent intervention of commutation or pardon, would not seriously deter many of those whose personality types would make possible in any sense the operation of deterrent influences. Yet the present police, detective and court system brings about a situation in which much less than half of those guilty of murder are even arrested, and a large proportion of those arrested are unjustly freed through the defects of the court and jury system. There can be no doubt that an individual is more seriously deterred by a sense of absolute certainty of relatively mild punishment than by the thought of the possible loss of his life through a type of punishment of which there is not more than one chance in five that it will ever be applied to him. Further, the exponents of capital punishment enormously exaggerate the degree of fear of death which exists on the part of the average individual. It is scarcely an exaggeration to say that one risks his life as much in a premature start through the traffic of Fifth Avenue at Forty-second Street, New York City, as by a reasonably discreet commission of a murder. Yet one familiar with the conduct of pedestrians in New York traffic is able to observe in a sufficiently thorough and convincing fashion the slight influence which the fear of death or maiming exercises upon the control of human behavior.

It is also quite obvious that the deterrent effect of capital punishment, even if it existed, is largely lost because of the modern methods of executing the death penalty. If one desired to make the death penalty most effective as a deterrent influence it would be desirable to make a great public spectacle of it and carry it out under the most brutal and degrading circumstances. The painless electrocution of a few murderers almost unobserved in the secrecy of the prison death chamber

is about the least effective method of bringing the terrors of the death penalty before those potential murderers who are hypothetically to be deterred from their dastardly work by fear of the consequences. If one were to take seriously the theory of the deterrent influence of capital punishment he would inevitably be led to recommend publicly burning at the stake in the Polo Grounds all murderers from the New York district instead of electrocuting them in great privacy in the isolation of the death-chamber at Sing Sing.

FAILURE OF DRASTIC PUNISHMENT

Not only the facts of human psychology, as applied to a discriminating analysis of the motives for murder and the types of individuals who commit murder, demonstrate the complete fallacy of the theory of the deterrent influence of capital punishment, but the history of criminal jurisprudence and the statistics of crime show that the death penalty has never exerted the degree of deterrent influence which its exponents contend always accompanies its operation. In England in the eighteenth century there were more than 200 capital crimes, but crime increased to an alarming degree during this very period. History reveals the most varied and numerous examples of how there is no close correlation between the severity of the criminal code and the infrequency of crime. Likewise, as Warden L. E. Lawes and others have definitely proven, the statistics in regard to the frequency of murders, where the death penalty exists and where it does not exist, fail to support the thesis that the death penalty actually exerts a deterrent influence. Even more important is the fact that any appeal to statistics at the present time to support or discredit the theory of capital punishment is likely to be highly dubious and unsatisfactory. There are so many factors affecting the rate of the commission of crime that the attempt to determine the responsibility for a rise or fall in the homicide rate before or after the introduction or elimination of capital punishment is almost impossible. Until we have a much more thorough and accurate type of criminal statistics we can never hope to arrive at any absolute statistical proof of the effect, if any, which

capital punishment has upon the homicide rate, but the facts of modern psychology would seem to indicate that the death penalty cannot actually have any important effect upon the homicide rate for the reasons which we have presented above.

Even if we were to admit that some form of punishment could act as a deterrent to the commission of the majority of murders, it might well be argued that life imprisonment would be a more effective deterrent than the exaction of the death penalty. It is certain that the prospect of a life in prison under present prison conditions is far more terrible to contemplate than death itself. Exponents of the death penalty frequently admit this fact, but contend that life imprisonment is purely a theory, not a practical reality. They point out that in the case of a sentence to life imprisonment there is a high probability of ultimate pardon, which would enormously reduce the deterrent influence of the prospect of a life sentence. This objection may be answered in two ways. In the first place, if the sentence to life imprisonment cannot be actually executed in practice, this is a defect in our present system of criminal jurisprudence and the exercise of the pardoning power, and should be attacked from this point of view. The argument is not against life imprisonment as such. But equally important is the fact that if the prospect of pardon reduces the alleged deterrent influence of life imprisonment, so does the prospect of complete acquittal reduce the deterrent influence of the hypothetical death penalty for premeditated murder. The softening of life imprisonment by pardon is thoroughly matched by the well-known reluctance of a jury to convict a man when the inevitable sentence which would follow conviction must be the death penalty. Many juries would unquestionably return a verdict of guilty if the penalty were life imprisonment, where they hesitate to bring a verdict of guilty on the basis of the evidence when they know that such a verdict means the exaction of the life of the accused.

It is further evident that the exponents of capital punishment assume that murderers are invariably the worst of the criminal classes, and that they all represent essentially one unified type for which a

single form of punishment should be prescribed as the most effective remedy available in the premises. Any one at all familiar with the facts of modern criminal science or possessing any extensive experience in penal administration knows that the first of these assumptions is in no sense borne out by the facts. Modern criminal science has proved beyond any possibility of doubt that, except on rare occasions, the crime itself is no adequate criterion of the nature of the personality lying behind the crime. Hence, scientific criminology entirely repudiates the basic assumption of conventional criminal jurisprudence, namely, that it is possible to fit the punishment to the crime. It is the almost universal testimony of the most experienced and capable prison administrators that the majority of their most trusted and best behaved convicts are those who have been imprisoned for life for the commission of murder.

It is even more absurd to contend that murderers are all of a single type requiring the same form of treatment. It would be difficult to imagine a greater diversity of personality types than such famous murderers as Chester Gillette, Harry Thaw, Jean Gianini, J. P. Watson, Odell, Loeb and Leopold. Some of these individuals were of a personality type which would make them always dangerous in society, however treated, while others of the group could have been quickly restored as safe members of society by proper medical treatment and social re-education. The case of Loeb and Leopold, considered alone, indicates the absurdities of the older criminal jurisprudence. Both of these men were accomplices in the same crime, and it has been assumed that they were equally dangerous to society and should be treated alike. The psychological examination of these two individuals quickly demonstrated the absurdity of such an assumption. Leopold was shown to be a person of almost unique and unrivaled intellectual power, suffering from a relatively slight homosexual neurosis which probably would have yielded easily to a six months' course of psychoanalytic treatment. Scientifically and intelligently treated Leopold would have been less dangerous to society than any one of the thousands of

hoboes allowed to wander freely about certain sections of the City of Chicago. Loeb, on the other hand, was a person of only average mentality, in the initial stages of an incurable psychosis which carried with it the criminal compulsions that lay at the basis of the varied and hideous crimes committed by these two individuals. No form of medical treatment known to modern science would have rendered Loeb safe for society, and extermination by a painless method would have been the most economical and humane mode of disposing of him.

The writer of this article has not brought forward any of the so-called sentimental objections to capital punishment, namely, that it is against the spirit of humanity, that it brutalizes the human intellect, or that we have no right to take human life. Such arguments appear to the present writer to be on a par with the barbarous or anachronistic assumptions of the exponents of capital punishment, such as the theory of the free moral agent and the justifiability of social revenge. The writer would agree that there are extremely convincing arguments for the extension of the practice of exterminating useless, defective and dangerous human types. These arguments were effectively and, in the opinion of the present writer, unanswerably stated by Dr. McKim nearly a generation ago in his famous book on "Heredity and Human Progress."

But the argument for extending painless extermination of dangerous types is in no sense an argument for capital punishment. The adoption of this program would mean a wholesale advance against the vast army of degenerates, of whom the defective and non-reformable murderers constitute but the most infinitesimal fraction. Further, the extermination of dangerous and hopeless types represents a thoroughgoing acceptance of the modern scientific view of the causation of criminal conduct. It rests upon the adoption of the theory of determinism, and assumes that there are specific hereditary defects in certain individuals which will make it forever impossible for them to act in a safe or normal fashion. These assumptions repudiate for all time and in their entirety the doctrine of a free moral agent and the notion of social re-

venge, which form the very keystone of the arch of conventional jurisprudence. The writer doubts if the adoption of a scheme for exterminating hopeless types would in any sense brutalize humanity, particularly a humanity and a civilization which today in a careless and nonchalant fashion deprives tens of thousands of individuals of their lives each year in this country through careless manipulation of motor vehicles, or complacently observes yearly the death or maiming of tens of thousands more through the absence of elementary safety devices in mines and factories.

The final answer of the scientific criminologist to the exponent of capital punishment is that if we desire to get rid of crime we must adopt the same scientific attitude that society has taken with respect to the elimination of physical disease. We must eliminate that biological defect which lies at the basis of many criminal types. We must reduce as far as possible the unhealthy social environments which generate the bad habits which emerge in criminal conduct. In the actual repression of existing criminals we must so improve our police and detective systems that we will actually apprehend the majority of those who commit crimes. We must then introduce a system of providing and examining evidence which will lead to the conviction of the guilty who are arrested. This will involve a thorough-going reorganization of the present court and jury system, if not the complete elimination of the jury. We must put the task of the conviction for crime in the hands of a permanent body of paid and competent experts who will be actually interested in the facts in the case. Having assured the arrest and conviction of the guilty, we must so treat the convict classes as to secure the permanent segregation or the extermination of the non-reformable types and the introduction of a broad scheme of reformatory and corrective treatment which will rehabilitate the majority of those temporarily incarcerated. The problem of capital punishment, then, appears so insignificant and unimportant a phase of the much broader and more fundamental problem of the reconstruction of criminal jurisprudence and penal administration as to relegate it to oblivion simply because of its irrelevance.

The Viceroys of India From Clive to Reading

By SABEL ZIMAND

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WITH the departure of Lord Reading, until recently Viceroy and Governor-General of India, from Bombay, and his arrival in England in April, when the title of Marquess was conferred upon him, a remarkable chapter in the history of India's Viceroys and Governors-General was brought to a close.

That history has been a long one and, in many senses, one of dramatic interest. The long procession of Viceroys since Lord Clive won the Empire for England covers, in fact, some of the most momentous epochs in the history of India. In the last 155 years nearly thirty Anglo-Indian potentates, surrounded by glittering *aides-de-camp*, by vigilant bodyguards in gorgeous uniforms and amid the reverberations of thundering salutes, have ascended that throne from which one-fifth of the human race is governed. As a rule each five years a new satrap occupies that seat of glory and power. Twenty years after the famous battle of Plassey, Warren Hastings was the first to reign over India. And in April of this year Lord Irwin became the new ruler. But in the five generations which lay between Hastings and Irwin the British *Raj* passed through epoch-making changes.

But any account of the Anglo-Indian potentates must begin with Robert Clive, the man who first conquered this great Empire of India for England. Before the staircase of Great Britain's India Office, overlooking St. James's Park of London, stands a bronze statue of a person with heavy brow, keen, quick eye, and with a countenance suggesting tenacity of purpose, inflexible will and great intuitive powers. It is the monument of a man who, in the middle of the eighteenth century, as an unknown youth, without means, without influence, without military education or experience, contended with the gods and conquered an empire. Few men in

the world's history rose from obscurity to such power and greatness so rapidly or so early in life. At twenty he was forwarding parcels as a clerk for a commercial company, at twenty-six he was a soldier who had fought and won great battles; and at thirty-two he founded the British Empire in the East. When he completed his forty-ninth year he cut his throat and was buried within the walls of the small parish church in the hamlet of Moreton Say in Shropshire and "No man knoweth of his sepulchre unto this day." This singular person was Robert Clive.

On a burning day (June 23, 1757), Clive with a small force of 3,000 troops, but with an inborn military genius and with the help of bribery, duplicity and effective trickery, defeated the 50,000-strong army of the Indian ruler of Bengal. On that June day of 1757, Clive, coming from Calcutta, encamped at the village of Plassey, near an orchard of a hundred thousand trees, and there he waited for the beginning of hostilities with the army of the Nawab. The success of the battle depended on whether the Indian, in service of the ruler of Bengal, with whom Clive had closed a secret treaty, would play his part and betray his ruler. Clive was full of doubts and anxiety. The future of an empire lay in the balance. Now, or perhaps never.

And as he looked across at the enemy's battalions, he could decry the Nawab army "with their great number of elephants covered with scarlet cloth and embroidery, their horse with their drawn swords glittering in the sun, their heavy cannon drawn by vast trains of oxen, and their standards flying." Against this most pompous and formidable army he set out to battle. At 8 o'clock in the morning the Nawab's artillery opened the attack. About noon the Indian army was in retreat and their camps were stormed by Clive's forces.

When the sky began to glow with the deep colors of the Indian sunset one of the richest provinces of Asia lay defenseless at the feet of Clive. The Empire of England in the East began, for on that day the young clerk had laid the foundation of the mighty fabric of political architecture, raised and consolidated by the long line of his successors in India.

Robert Clive, who captured the immense legacy of the Moguls, never ascended the Viceregal throne. He sealed the fate of India. His victories made it possible for future Viceroy to govern the vast land. But he held only for two terms the office of Governor of the province of Bengal, for, during his days, the most exalted office of the British Crown had as yet not been created. It took a few years longer before India became in name what it was already in fact—before it became British India.

When Clive left India the East India Company had complete sway over the newly acquired empire. The private trading company under which Clive served had started out to find a market for English manufacturers and a source of supply for spices, and ended up by owning and controlling an Eastern empire. But in more than one way the interests of this influential corporation were closely allied with those of the whole of England. The company went to India for trade and the trade of India was of vital importance to England. But the risks for the Mother Country were great and perplexing. It was possible that at any time the company might have got into difficulties which would have involved the British Government. The preservation or extension of the company's Indian territory might at any moment have called for Government assistance or intervention. This extraordinary situation called for some immediate solution.

The English political leaders of the day, bred and nourished under the ennobling influence of the Greek writers, were shocked by the despotic and rapacious officials of the company and by their acts of spoliation and wholesale robbery. The public opinion of England demanded strong supervision of the corporation. There were, of course, feverish years of

controversy. At length the British Parliament passed the commonly known Regulating act of 1773, which put the company under the control of the British Crown.

The company remained the owner of the empire, but the British Government, through a Board of Control, supervised the officials of the corporation. The head administrator of India, appointed by the company and approved by the Board of Control, was the Governor General. It was only in 1858—after the mutiny—that the Government of India was entirely transferred from the East India Company to the British Crown, and ever since the Governor General of India has borne the twofold title of Viceroy and Governor General; as representative of the King he is the Viceroy and as the head of the Government of India he is designated Governor General.

FUNCTIONS OF VICEROY

The Viceroy from his august peak at Delhi not only carries the whole responsibility of ruling India but also personifies the King, and besides is the representative of the imperial Government. And while he is required "to pay due obedience to all such orders as he may receive from the British Secretary of State for India," he can, if he is of an active nature, make his own powers. "A sparrow can scarcely twitter its tail at Peshawar," as the late Lord Curzon said, "without a response being detected to masterful orders from Simla or Calcutta."

The Viceroy is his own Foreign Secretary and has exclusive responsibility for foreign and frontier affairs. He conducts the relations with the Indian Princes and the native States and has the prerogative of offering advice to the British Administration on practically the entire foreign policy of Asia which in any way concerns Great Britain and the relations to India.

Pomp and awe follow him wherever he goes. The gorgeous festivities given at the Viceregal palace surpass those of the London court. In their dazzling magnificence the durbars and levees, the State evening parties and garden parties, the balls and the weekly dances and official dinners look as if they had stepped straight out of the times of the great Moguls.

Until 1912 the residence of the Viceroys was at Calcutta. It was subsequently removed to Delhi, the ancient capital of India. A new Delhi is now nearing its completion. Meanwhile the Viceroy resides in a beautiful white mansion with classical columns and majestic entrances extending over nearly two acres of ground.

The Viceroy is "his Excellency" to his subjects. On state occasions he makes his appearance with imperial grandeur — white cloth knee breeches, white silk stockings, black tail coat covered with gold embroidery, orders blazing on his breast and around him a long and magnificent blue velvet robe heavily collared and bordered with ermine. Bejeweled princes bear the train of his robe.

On his state visits he rides in a coach drawn by eight horses, ridden by postillions. At the back of the coach an official umbrella bearer in scarlet and gold holds this symbol of authority, and servants arrayed with gold and silver maces, with brushes of white horse-hair wave away the mosquitos. He is accompanied by high dignitaries and aides-de-camp resplendent in court costumes of scarlet military magnificence. Behind and in front he has a mounted escort, known as a body guard, with heralds and banners and bugles. The guns from the distance voice the honor due to imperial grandeur.

We may distinguish three epochs in the reign of these thirty British potentates. First we have the period which begins with Warren Hastings and ends with Dalhousie. It is an era of organization and annexation of new territories. This is followed by the Canning-Curzon era. In this second period occurred the mutiny, the final decapitation of the East India Company and the transfer of the Government from the company to the Crown, and the birth of the

nationalist movement. The era closed with the rule of Lord Curzon, who introduced a degree of efficiency hitherto unknown and in his zeal for reorganization refused to consider the aspirations of the educated Indians. The third period is that of Minto II to Reading I, which is distinguished by revolutionary activities, plots and assassinations, introduction of new reforms and the Gandhi non-cooperation movement. Finally comes Mr. Wood, who is about to inaugurate the fourth period.

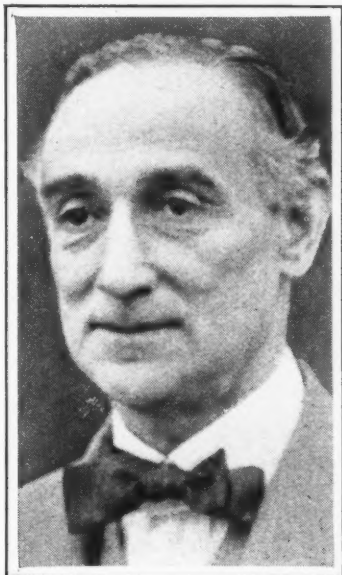
Now let us follow the procession of the Caesars of the East as they climb the stairs of the Viceregal Palace amid the fanfare of the trumpets and the thunder of the guns.

WARREN HASTINGS REGIME

At the time Warren Hastings ascended the throne he had to his credit three and twenty years of Eastern experience, and, though a disciple of Clive, he knew more about Indian life and conditions than his master ever learned. When Hastings assumed office the country was the private property of a private company.

The servants of the company had only a few years before laid aside the ledger for the musket. But the British Empire in the East was not built up with the musket alone. Warren Hastings changed the commercial company into the organization in which the original merchant was substituted for the statesman.

The unscrupulous trickeries employed by Hastings in ruling India have been often and bitterly debated. The foul means he employed in obtaining money from Indian Princes, the pledges he violated in his dealings with native rulers, the burning of villages and the blood spilt by his orders have been eloquently described by Macaulay, Burke, Fox and Sheridan. The re-



THE MARQUESS OF READING
Who recently concluded his term
of office as Viceroy of India

marks of Hastings before the English House of Lords: "My Lords, when I think of the marvelous riches of that country and the comparatively small part which I took away, I am astonished at my own moderation," will always remain full of meaning for the examiner of an autocratic past. But behind this and above all this there emerges the great Machiavellian potentate who organized the British Empire in the East. For if Clive was the founder of the Eastern Empire, Hastings completed the more difficult task of organizing a vast empire on an economic basis. Without this great statesman the British Empire of Asia might have been lost just as swiftly as Clive had won it for his country.

This first Anglo-Indian ruler was raised in a century when the contemporary political leaders quoted to each other from Virgil and Lucian as they talked of liberty and justice. But Hastings turned from the classics to Machiavelli, and Machiavellian "politics" was his only guide in administering the vast empire. The difficulties with which he was confronted were almost insurmountable. Three months after he assumed office he wrote that "the new Government of the company consists of a confused heap of undigested materials, as wild as chaos itself." Various departments were "all huddled together," honest men were scarce, the courts of justice were a byword, the currency was in a hopeless confusion. Everything seemed to be wrong, and out of this wild chaos he set himself to bring order.

The administration created by Hastings is the model round which the whole system of government in India has been built. The standards of conduct imposed upon the East India Company's servants have become the traditions of generations of the very efficient Indian Civil Service. He tried to open political and trading relations with Tibet, which was reserved for one of his successors 120 years later to carry out. Macaulay's essay on Hastings has familiarized us with his cruelties and his great and at times mean errors, but his achievements for his country overshadow all his mistakes. In 1785, when he laid down his post after a service of thirty-five years in India, during thirteen of which he was Gov-

ernor General, he left the British rule of India secure.

SUCCESSORS TO WARREN HASTINGS

For Warren Hastings, the powerful statesman, and administrator, familiar with every detail of the Government machinery, was substituted a man who had neither intellectual brilliancy nor much imagination. The man who lost America was sent out to govern India. Lord Cornwallis was a member of the aristocratic oligarchy, that small class which in those days enjoyed the monopoly of political power in England. But he cared nothing for the trumpey tinsel of the Oriental satrap and lived in comparatively modest style. As a ruler he directed his efforts to reform the abuses and corruption which were then prevalent in the civil service. He applied the only possible remedy by paying the civil service officials on a scale that enabled them to live with extreme comfort and dignity in India. But as a ruler of men he was, in fact, the very antithesis of his great predecessor.

After Cornwallis came a line of worthy successors to Hastings. Among them may be cited such an accomplished scholar and powerful ruler as Marquis Wellesley, who added four ancient sovereignties and millions of fresh annual revenue to the territories of the Empire; the genial Scotsman, Lord Minto, who was one of the managers entrusted with the prosecution of Warren Hastings and whose reign coincided with the most critical period of the Napoleonic war; the benevolent Lord Bentinck, who abolished the native custom of voluntary self-immolation of widows and who introduced the English system of education; the austere Lord Auckland, who disliked pomp and who exposed India to military disaster in the first war with Afghanistan; the soldier-politician, Sir Henry Hardinge, the warrior present at sixteen battles; the young Scotch nobleman, Lord Dalhousie, whose policy of annexation is supposed to be greatly responsible for the mutiny; the shy and balanced Lord Canning, under whose term of office the mutiny occurred and who was the first to bear the twofold title of Governor General and Viceroy, for, as already mentioned, in November, 1858,

Queen Victoria took over the Empire from the East India Company.

Of all these potentates, two stand out pre-eminently by their masterful qualities as rulers of men. In the Marquis Wellesley and Lord Dalhousie, the age of Hastings lived again. They were the advocates of what is today known as Imperialism. They were sent out as the chief agents of a corporation. But it is apparent that they dreamed of the day when the corporation would be taken over by the Empire, and they seized every opportunity for increasing the company's dominions. They broke the power of the principal native potentates. They overthrew some and coerced others. Principality after principality was escheated and annexed.

But the shareholders of the corporation thought more of investment than of an empire, and, while the policy of annexation was sure to pay in the end, the immediate results of extension of territory were to increase the debt and risks to the dividend. Such considerations induced the shareholders of the company to object to many of the actions of these rulers. But we must remember that those were the days when the electric telegraph was not yet invented, and when the means of transportation were slow and inadequate. It took often nearly six months for a message to arrive from England, and in the meantime the satrap carried on his wars and the company found itself with a *fait accompli*.

It is only natural that such independent rulers as a Wellesley or a Dalhousie should not have been very popular with the company they served. Wellesley was censured and recalled before his term of office was over and Dalhousie quit India crawling on board of his ship with the aid of crutches.

The end of Dalhousie's reign marks the end of an epoch. During his successor's term of office, the company ceased to exist,

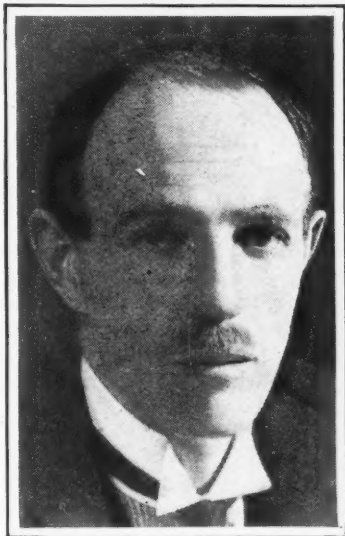
and after 1858 a Hastings or a Wellesley who waged war and made treaties without consulting any one became an impossibility. From now on the Viceroy had perhaps more pomp, but henceforth he had to act in accordance with decisions made at Whitehall.

The second period begins with Lord Canning's successor, the eminent and cold civil servant, John Lawrence. His rule

only confirmed the validity of the arguments against the elevation of a member of the Civil Service of India to the rank of Viceroy. For his former colleagues compared themselves with him and their own pretensions to this office, and his rule evoked envy rather than respect. So as a rule the man who is sent out, unlike John Lawrence, knows next to nothing of the people whom he is to govern.

Lawrence was followed by the charming Irish nobleman, Lord Mayo, who introduced the system of State railways, and, after three years' reign, was killed by a frontier tribesman while visiting the convict settle-

ment of the Andaman Islands. Then came the wealthy Lord Northbrook, whose reign was not distinguished; the visionary professional diplomat, Lord Lytton, son of the well-known novelist, and who is remembered in India as the author of the Vernacular Press act, intended to curb seditious utterances in the native press; the daring Lord Ripon, the most popular of all Anglo-Indian rulers; the brilliant and tactful Lord Dufferin, during whose period of office, an Englishman, the retired Indian Civil Servant, Allan Octavian Hume, sponsored the establishment of the "Indian National Congress," and who was relieved by Lord Lansdowne, another Irish nobleman; Lord Elgin II, who ruled without distinction and was followed by Lord Curzon.



LORD IRWIN

The new Viceroy of India, known as E. F. L. Wood before his elevation to the British peerage

Among the rulers of this second period two figures stand out preeminently. One is Lord Ripon, who was the most popular of all Viceroys. The other is Lord Curzon, the least popular. Lord Ripon, though not of very brilliant parts, was a thoroughly honest man who introduced a bill to remove from the code of criminal procedure "at once and completely every judicial disqualification based merely on race distinctions," and, therefore, to confer on the Indian-born Magistrates authority to deal with Europeans as with anybody else. Though the Indians loved him, he commanded no respect among his own countrymen. Some of the latter went so far as to hatch a plot for kidnapping him and sending him off to the cape. Lord Ripon apparently took too seriously the royal proclamation of Queen Victoria which declared that "it is our further will that, so far as may be, our subjects of whatever race or creed, be freely and impartially admitted to offices in our services." At any rate, the British community thought that his actions were premature and his palace was boycotted by his own countrymen.

DISCONTENT STIRRED BY LORD CURZON

On the other hand, we have Lord Curzon, who knew India from without better than any other Viceroy before or since his reign, and who in various ways bitterly offended Indian feeling. Lord Curzon's gospel was efficiency. The fact that India's ancient monuments are so well preserved is in large measure due to his "scientific and steadfast policy" in the matter.

But he also offended Indians by the partition of the Bengal Presidency, which the natives considered a device to enfeeble and destroy the nationalistic tendencies there, to divide the Mohammedan and Hindu communities and thus to strengthen British rule. In a speech addressed to the convocation of Calcutta University he announced the doctrine that truth was rather a Western than an Oriental virtue, and that stirred India to its depths and roused a tremendous storm of opposition. He refused to offer political concessions to the educated classes because he did not regard it "as wisdom or statesmanship in the inter-

ests of India to do so." Lord Curzon departed from India leaving behind him a discontented people whose political aspirations he refused to consider. His retirement brought to a close the second period.

The third period is not distinguished by such masterful rulers as Hastings, Wellesley or Curzon. For one thing India was no longer the India of Hastings. The Russo-Japanese War and the partition of Bengal gave birth to the revolt of young India. The victories of Japan intoxicated the Indian people. They saw in them the return of the old-time glory of Asia. The partition of the Bengal Presidency had been resented and had roused the younger generation to a frenzy. A boycott against British goods was declared and for some time successfully carried through. Home industry was encouraged. A national education movement was initiated. A new nationalist paper was started. Young India became articulate.

The younger generations of Indians wanted no more of the "mendicant policy" of their parents. They wanted men who had convictions and faith as distinguished from opinions and opportunism. They wanted a message that would stir the soul of the people, rather than a few more Government posts. They had not, perhaps, the wisdom or reasonableness of the older type of Indians. But they had youth, endurance and fortitude. They read Mazzini and were inspired by his fight for his country. They read Stepniak's "Underground Russia" and prepared themselves to inaugurate a period of plots and assassinations. Such were the political conditions of India when Lord Curzon's successors assumed office. And ever since the political atmosphere has remained charged with electricity.

THE MORLEY-MINTO REFORMS

The outbreak of political crime marked the Lord Minto II term of office. It was also distinguished by the fact that in his rule the first real reforms were given to Indians. In cooperation with Lord Morley, then Secretary of State for India, Lord Minto II drew up a scheme granting India enlarged legislative councils. The scheme, which became an act of Parliament in

1909, provided that the legislative councils, which up to that time were merely small bodies of officials and nominated persons, were to be enlarged and that a portion of the members were empowered to debate matters of general interest and to put supplementary questions. But these councils were not intended, as Lord Morley said, to lead "directly or indirectly to the establishment of a parliamentary system in India."

This scheme, commonly known as the Morley-Minto reforms, had the effect of checking only temporarily the growth of the militant nationalist forces. The attempt in 1912 to kill Lord Minto's successor was proof that the revolutionists' faith in political crime had not yet been entirely stamped out.

Lord Minto II was relieved by Lord Hardinge of Penshurst, whose grandfather was also a Governor General. During his rule occurred the outbreak of the Great War and his formidable task was to make India respond to the call of the empire. In this he succeeded to a greater degree than was expected. His rule is also memorable by reason of the visit of King George and his consort at the close of the year 1911, and because of the transfer of the capital from Calcutta to Delhi, which move was probably intended to please Mohammedan sentiment.

It was during Lord Hardinge's first state entry into the new capital that a bomb was hurled into the howdah of the state elephant which carried the Viceroy and Lady Hardinge. The immediate effect of this outrage was only to increase his popularity among the people of India, to whom he gave the assurance, as soon as he recovered from the wounds which nearly proved fatal, that his affection for them had suffered no change.

Under Lord Chelmsford, who succeeded Lord Hardinge in 1916, we witness the rising tide of political unrest in India. It was during his reign that the Gandhi Non-Cooperation Movement was born; and it was during his time that the Amritsar massacre occurred. His term of office is also memorable by reason of the new reforms of 1919 granted to India.

Soon after he assumed office the militant nationalists under the leadership of

G. B. Tilak, a Poona Brahmin of a caste that claims descent from a stock specially favored by the gods, and Mrs. Annie Besant, the famous Englishwoman and theosophist leader now living in India, captured the Indian National Congress, came to a temporary agreement with the Mohammedan leaders and presented a common front in pressing forward a new scheme of reforms. Across their frontiers the people of India saw the blazing fires of revolution. Russia sent out a message of red skies. The ideology of self-determination and freedom stirred India to its depths. Sweeping changes in policy were demanded; and in August, 1917, E. S. Montagu, the Secretary of State for India, stated that the goal of British policy in India was responsible government. A few months later Lord Chelmsford made public the new Indian policy.

But at this juncture Lord Chelmsford was confronted with the shooting at Amritsar and the repressions carried on in the province of Punjab. In December, 1919, an act of Parliament granted India the new reforms. But the Amritsar affair and the administration of martial law in the Punjab brought about the dramatic change from constitutional agitation to Gandhi's non-cooperation. When Lord Chelmsford left India the tide of conflict and unrest was still rising.

Lord Chelmsford was followed by the imperturbable, courteous, diplomatic Lord Reading, who served under five different British premiers. Hardly any of the other Anglo-Indian potentates had lived such a varied and romantic life as did Lord Reading. About half a century ago, as a boy, he ran away to sea and served before the mast in a sailing vessel voyaging to Calcutta. On his next visit to India he received the artillery salute reserved for Viceroys.

LORD READING'S RULE

Lord Reading inherited from his predecessor a great and difficult burden. He assumed office in April, 1921, during times of grave danger and anxiety. Few Viceroys have had to grapple with such a widespread and menacing disturbance as the one with which he was faced. Gandhi's protest movement had just then reached

greater heights than ever before. The whole country was in a state of turmoil and on every hand one could sense a mounting bitterness against the rulers of India. The great experiment of the reforms had to be carried through, with the aid and cooperation of India's educated classes, yet the tragedy of Amritsar had cast a gloomy shadow over the whole country and made the Government's position difficult. Mr. Gandhi's non-cooperation movement had penetrated to virtually every province and its progress was marked by outbursts of violence; public order had to be maintained. Moslem nationalists stressed the rights of the Commander of the Faithful, as against the Treaty of Sèvres, to unite the Moslems and the Hindus in an alliance that spelled danger to British rule. The partly political, partly religious movement of the Akali seemed to menace the friendly relations that had so long existed between the Sikhs and the British authorities in India. The State finances, shaken by the post-war developments, by frontier fighting and by successive monsoons, had to be reconstructed and restored. The Indian civil service had lost prestige and was weakened by many resignations. General pessimism prevailed and it seemed that the effectiveness of the Government's administration, on which everything depended, was destined to be seriously diminished.

Such were the problems that confronted Lord Reading when he took office. When he left India the situation was entirely different. The retiring Viceroy during his five years' rule met each problem and solved it as it came. His good fortune has been almost miraculous. The Swarajist Party, it is true, has again reverted from a Parliamentary Opposition policy to the Gandhi tactics of non-cooperation, but the withdrawal of prominent Swarajists from the party has somewhat weakened the nationalist movement. The death of C. R. Das, leader of the Swaraj Party, helped to weaken the party and was undoubtedly an asset to the Viceroy.

For the Empire the general situation is not without its bright aspects. Mr. Gandhi is quiescent. Hindu-Moslem hostility still continues. The frontier has been quiet. The budget shows a surplus. The griev-

ances of the civil service have been largely removed. Good harvests have improved the financial situation. The expulsion from Turkey of the Turkish Caliph by Mustapha Kemal Pasha has blocked the program of the Indian Caliphate Committee in India.

Like other Indian Viceroys, Lord Reading incurred criticism, as was pointed out by *The London Times* on April 3, and the possibility that he delayed overlong in ordering the arrest of Mr. Gandhi and of the Ali brothers (leaders of the Moslem opposition faction) has been referred to. The severe measures adopted against the terrorism of the secret societies of Bengal had his unhesitating sanction. Certain criticisms have been made of him on the ground that he interfered with the internal affairs of the Indian States and dealt drastically with certain dangerous tendencies of the Indian Princes. It is indisputable that in his recent letter to the Nizam he upheld with dignity and firmness the sovereignty of the British Crown over the degrees of internal sovereignty enjoyed by the ruling Princes.

The last three years of Lord Reading's administration are generally conceded to have been momentous. Future history will give the final verdict.

LORD IRWIN, THE NEW VICEROY

The long procession of Anglo-Indian potentates is closed by a man of forty and four years, unusually tall—some inches above six feet—of an untidy appearance, a strong forehead, large eyes and flexible mouth, with a long, well-shaped, rather pallid face, with a countenance suggesting a certain shyness and melancholy, friendship and deep religious feelings—Lord Irwin.

On April of this year this tall, shy and religious gentleman, who is able to claim a hereditary connection with India as the grandson of Sir Charles Wood, afterward Lord Halifax, Secretary of State for India from 1859-1866, and whose famous Educational Dispatch of 1854 propounded a national system of education for India, ascended the golden throne in the midst of dazzling pomp.

Lord Irwin, until recently Mr. E. F. L. Wood, is less prominent as a public man

than any other Viceroy of the past generation. Minto II had been Governor General of Canada. Lord Hardinge carried the prestige of long service in the Foreign Office, Lord Chelmsford had held an Australian Governorship, Lord Reading was Lord Chief Justice and had filled a series of other great public offices. Lord Irwin had filled only two short terms of minor Cabinet office. In his administration of these two posts—Education and Agriculture—he was praised as a conscientious departmental chief who rendered exceptional service.

The new Viceroy is a member of the Conservative Party, but he might more rightly be classed as a liberal conservative. He enjoys an enviable personal standing and is considered a man of character and capacity. While there is a distinguished tradition of Indian service in Lord Irwin's family, he himself has no special knowledge of India, but the experience he has gained as Minister of Education and as Minister of Agriculture is an undoubted asset to the new Viceroy.

Lord Irwin inherits from his predecessor a charge far less difficult than the one Lord Reading took over from Lord Chelmsford. But even with the temporary lull in the activities of the Nationalists, trouble abounds. It can be said without exaggeration that the new potentate assumes power

at a most critical period in the history of India.

The conflicts between Hindus and Mohammedans await some solution. Then there are questions of national education and agricultural improvement, the exclusion of Indians from the dominions of the empire and relations with the Indian Princes. But towering over all issues that face Lord Irwin is the momentous decision to be made regarding the re-examination of the present Indian Constitution. According to the Government of India act, 1919, a commission must be appointed in 1929, with the concurrence of Parliament, to inquire into the working of the Constitution. This commission has to report to what extent it is desirable to extend or modify the degree of responsible Government then existing. It is possible that the date of this inquiry may be brought nearer, but it cannot be postponed beyond the year 1929.

During Lord Irwin's reign we shall most probably witness an epoch-making change in the relation between Great Britain and India. For the political spirit has reached a stage when a modified form of dominion status can no longer be denied to India. And it is not at all unlikely that the Viceroy to follow Lord Irwin will be only the representative of the King and that the other functions of the present-day Viceroy will be held by other officials. The last hour of the old Viceroy has almost struck.



The Legend of Colonel House

By WILLIAM MacDONALD

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NOW that students of the World War are virtually agreed that the notion of "a guilty nation" is a myth, and that some of the statesmen who were honored with wreaths and halos were themselves, in varying measure, responsible for bringing on the conflict, the way has been prepared for the examination of other myths and legends with which the story of the war has been encumbered. To this latter group, it may now with some confidence be affirmed, belong the unique activities of Colonel House. There has undoubtedly been a widespread impression that Colonel House, moving quietly and more or less secretly from one European capital to another as a kind of unofficial American Ambassador, conversing intimately with monarchs and ministers, feeling the pulse of distracted peoples, baffling the press by his inscrutable silence, and all the while appearing to sink his own personality in that of the President whom he loyally served, must have exercised some notable influence upon the course of events, and that if ever the time came when he should speak, the story of the war and of American relation to it would at last appear in verity.

Thanks to Colonel House himself and to the labors of his friend and helper, Professor Charles Seymour of Yale University, the task of appraising what was actually accomplished may now be begun. The two volumes of "The Intimate Papers of Colonel House" lately published are not, indeed, the whole story. They extend only to April, 1917, when the United States entered the war. Only a small part, apparently, of House's journal of more than 2,000 pages has been included, and the refusal of President Wilson's executors to allow the texts of Wilson's letters to House to be reproduced has forced Professor Seymour to content himself with summaries of their more important contents. With these limitations, however,

the volumes are an invaluable record of a long-continued secret diplomacy which differed only in form and in its unofficial character from that which Wilson himself later denounced as one of the roots of political evil, and which missed official consecration only by the virtually complete failure of the most important things that Colonel House undertook.

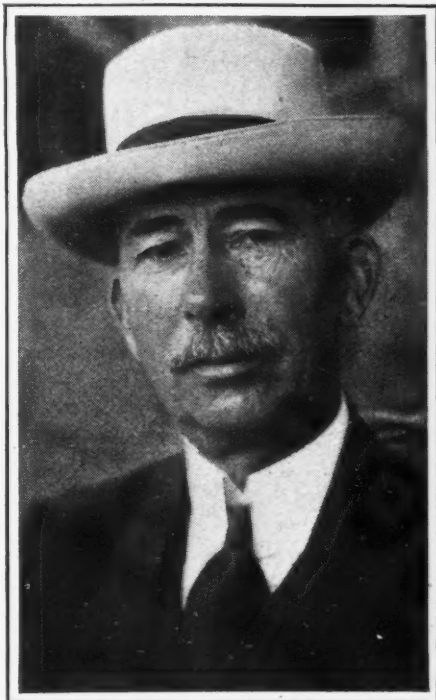
House was not exactly a stranger to Europe when he took up the task of being eyes and ears for the President whom he had helped to elect, for he already knew something of England and the Continent as a tourist, and in July, 1913, had begun the friendship of Sir Edward Grey which was later to play so large a part in his negotiations. Nor was he wanting in prepossessions of large political implications. Already, before Wilson was inaugurated, he had conceived the idea of uniting Great Britain, Germany, Japan and the United States in a "sympathetic understanding" which should "ensure peace and the proper development of the waste places," had later sounded Ambassador von Bernstorff in regard to it and found him friendly, and was in Europe in May, 1914, to further what by that time had become transformed into a plan for the reduction of armaments. The situation, he wrote to Wilson on May 29, was "militarism run stark mad. Unless some one acting for you can bring about a different understanding, there is some day to be an awful cataclysm. No one in Europe can do it." Nevertheless, when on June 1 he had an interview with the Kaiser, he noted that the Kaiser spoke "kindly and admiringly" of England while insisting that Germany must have a navy. A talk with Lord Grey, in which Grey did not commit himself, but which led House to record that Grey was "visibly impressed" and that "now the British Government seems eager to carry on the discussion," was followed by the journal entry that "it is difficult for

me to realize that the dream I had last year is beginning to come true."

This was on June 17. On the same day he wrote to Wilson that while the people of France still dreamed of revenge and the recovery of Alsace and Lorraine, French statesmen did not; "those that govern and know, hope only that France may continue as now." House could hardly have written thus had he known of the intrigues with Russia that M. Poincaré even then had in hand, nor do his later papers appear to show any real appreciation of the attitude of France or the political part it would be likely to play if war came on. The assassination of the Archduke Ferdinand at Sarajevo on June 28 did not immediately alter his plans. On July 7, at the suggestion of Grey, he wrote to the Kaiser in behalf of the "continuation of peace, and later a beneficent economic readjustment, which a lessening of armaments would ensure," but the Kaiser was cruising in Norwegian waters, and before long the casting of the die had brought to failure the first of House's unofficial moves.

A series of disappointments awaited him in the United States, whither he returned at the end of July. Wilson's formal appeal to the belligerents, following the Senate resolution, was issued against House's judgment, although the later appeal to the American people in behalf of neutrality was commended as "one of the finest things you have ever done." House was heart and soul for preparedness, but he could not move the President, and his suggestion of sending General Leonard Wood to Europe as an observer came to nothing. Wilson appeared to him as "singularly lacking in appreciation of this European crisis;" on Oct. 22 he wrote in his journal that the President "does not seem to have a proper sense of proportion as between domestic and foreign affairs." House had failed to achieve a "sympathetic understanding" or disarmament in Europe, and he now failed to alter the Wilson mind.

It was with another large and comprehensive project in hand, that of reforming the prevailing standard of international morals, that Colonel House shortly embarked upon the extraordinary course



COLONEL E. M. HOUSE

of unofficial and secret negotiations whose more specific objects were, on the one hand, the maintenance of a working accord between the United States and Great Britain, and, on the other, intervention by Wilson in behalf of peace. To the first of these objects he stuck through thick and thin, disturbed, it is true, but apparently not shaken, by the multiplying demonstrations that, in proportion as the first object might be attained, the attainment of the second would become impossible.

The game was one to tax to the full his adroitness and skill, and the shadow of ultimate failure clouded it from the first. At heart, House appears to have been no more neutral than was Ambassador Page, whose British partisanship, already revealed in his recently published letters, is abundantly confirmed by the "Intimate Papers;" but he nevertheless exerted himself to hold Page in check, since Page was useful and could not well be recalled. He played the part of guide, counselor and stern admonisher to Sir Cecil Spring-Rice, until in the end the

British Ambassador became his obedient coadjutor, but Spring-Rice was not the British Government. On Dec. 23, 1914, House learned from Spring-Rice that Grey was "personally agreeable" to the suggestion of an American peace proposal, but that "he had not yet taken it up with his own Cabinet, much less with the Allies," and that he felt there would be "great difficulty in effecting a plan by which a permanent settlement might be brought about." On Jan. 22, 1915, Grey could go no further than to say that while he would be glad to see House and talk with him freely, "of course he [House] understands that all that can be promised here is that if Germany seriously and sincerely desires peace, I will consult our friends as to what terms of peace can be acceptable."

It was with the feeling that "we were losing ground," and that it was time to have done with the Ambassadors at Washington and "take the matter up directly with London and afterward with Berlin," that House on Jan. 30 sailed for England. With the project of a new international morality still in mind, his letters and journal show him backing and filling when specific proposals came to be discussed. When Grey spoke of the possible demands of France for Alsace-Lorraine and of Russia for Constantinople, House replied that "if France insisted upon Alsace-Lorraine, I would suggest that a counter-proposition should be made to neutralize them in some such way as Luxembourg now is." When Grey insisted "that we [the United States] should come into some general guarantee for world-wide peace," "I evaded this," House wrote to Wilson, "by suggesting that a separate convention should be participated in by all neutrals as well as the present belligerents, which should lay down the principles upon which civilized warfare should in the future be conducted." A day or two later he told Grey that "it would be impossible for our Government to take part in such questions as what should become of Alsace-Lorraine and Constantinople," and that "all we could do would be to join the neutrals and belligerents in a separate convention after the peace covenant was drawn up and signed by the belligerents." Yet on Jan. 24, before he left the United

States, he had asked Wilson "if it would be possible for him to come over to Europe in the event a peace conference could be arranged and in the event he was invited to preside over the conference," to which Wilson replied that "he thought it would be as well to do this and that the American people would desire it."

Obviously, House was not making progress in England, and in spite of a letter from Zimmermann, the German Foreign Minister, that could be interpreted as an invitation, he decided, at the suggestion of Grey and Asquith to put off his visit to Berlin until it was clearer that Germany really desired peace. To a letter from Ambassador Gerard telling him frankly that Germany would make no peace proposals and "pay no indemnity to Belgium or any one else," but that, in his opinion, "if a reasonable peace is proposed *now* (a matter of days, even hours) it would be accepted," House could only reply that he saw "no insuperable obstacle in the way of peace" if the belligerents "would begin to talk." It was, apparently, with the hope of persuading the belligerents to talk that House had returned to Europe, but over against the concrete proposals which alone interested them, House was able to offer only a grand design of world peace and disarmament.

On March 11 House started for Berlin by way of Paris. He had already learned, apparently, that the territorial ambitions of France made impossible any such peace as he had discussed with Grey, and "a message from Gerard indicated that the Germans were equally determined upon wide annexations." All that he obtained at Paris was a polite expression of interest from Delcassé, the Foreign Minister, but the evident interest of Zimmerman and the warmth of Dr. Rathenau encouraged him to hope that Germany might be won for the grand design. He was soon disillusioned. On March 24 Zimmermann wrote "that if peace parleys were begun now upon any terms that would have any chance of acceptance, it would mean the overthrow of this Government and the Kaiser." Two days later, House was writing to Wilson that "while I feel I have accomplished much of value here, I leave sadly disappointed that we were misled

into believing that peace parleys might be begun upon a basis of evacuation of France and Belgium. * * * There is a general insistence here, as elsewhere, that when a settlement is made it must be an enduring one; but ideas as to how this may be brought about are as divergent as the poles."

House had clutched at a phantom, and once more his hands were empty. He could still assure Wilson (March 27) that "the warring nations have tentatively accepted you as their mediator," but one searches the "Intimate Papers" in vain for a sufficient justification of that hope, and a journal entry of April 16 seems to negative it as far as France was concerned.

If any unofficial outsider should have known in 1915 the temper of the belligerent Governments and their peoples, that person, it would seem, was Colonel House. A scrutiny of his letters and journals suggests, to be sure, that the leaders with whom he talked told him less than at times he seems to have thought, but they obviously told him more than they told their own people. It is the more surprising, accordingly, to find him continuing to urge schemes whose chances of acceptance were inherently slight, and which the course of events might at any moment render futile. He could still, for example, urge England and Germany to declare for the so-called "freedom of the seas," and draft the terms of an understanding with Grey regarding the treatment of neutral trade in food-stuffs and the adjustment of cotton claims, only to have both projects wrecked by Germany's persistence in submarine warfare and by the sinking of the *Lusitania*.

It was the general, rather than the particular, apparently, that appealed most to House. At the end of April, 1915, he was outlining to Grey a plan of a convention which should prepare for the peace conference, somewhat after the manner of the American political conventions whose methods he so well knew. "I would try to get the commissioners from each of the neutral States, and from as many of the belligerent States as possible, in accord with us before they came to the convention. * * * We would be actuated by unselfish motives and would not propose anything that was merely to the ad-

vantage of Great Britain or the United States, but would advocate only such things as would redound to the good of the entire world." In the light of what House already knew of the temper of Great Britain, France and Germany, and of the secret Treaty of London of April 26, of whose existence he had learned at least as early as May 4, the proposal seems almost fantastic. A reading of House's letter to Wilson of May 25, less than a month after the suggestion was made to Grey, raises also a question as to whether the proposal was quite frank. "We are bound up more or less" in the success of the Allies, wrote House, and "if we lose their good-will, we will not be able to figure at all in peace negotiations." Adherence to "unselfish motives" with the United States "bound up more or less" with one of the parties would seem to present difficulties.

House returned to the United States to find the President still cold to preparedness. Letters from Ambassador Gerard, supplemented by his own observations, made it clear that the activity of the United States in furnishing munitions to the Allies and its toleration of British violations of American neutrality, had long since convinced Germany that America was not neutral, and that the submarine warfare would not be abandoned so long as Great Britain continued its embargo on food-stuffs. House was still obsessed, however, with the belief that Germany could be induced to evacuate Belgium, France and Russian Poland, and he urged Wilson to issue a statement that would enable Germany to say this officially, and at the same time to give assurance that the submarine warfare would be abandoned if the food embargo were lifted. "Immediately she reaches this decision," he wrote on July 17, "peace parleys may begin." Had he forgotten Alsace-Lorraine and the secret Treaty of London?

From this point onward the "Intimate Papers" leave one in doubt as to how far House was really concerned to keep the United States out of the war, and how far he was hoping to lead it into war on the allied side by seemingly natural and inevitable steps. On Aug. 21, 1915, two days after the sinking of the *Arabic*, he

wrote in his journal that "if I were in his [Wilson's] place, I would send Bernstorff home and recall Gerard." The next day he wrote to Wilson that "to send Bernstorff home and to recall Gerard would be the first act of war." On Oct. 6, the day after the German Government's disavowal of the sinking of the *Arabic* had been handed to Secretary Lansing, House wrote to Gerard in warm praise of von Bernstorff, declaring that "if it had not been for his patience, good sense and untiring effort, we would now be at war with Germany." Some weeks later, apropos of a long letter from Page, he confided to his journal that "the British have gone as far as they possibly could in violating neutral rights, although they have done it in the most courteous way."

House was no superman, however, and his uncertainty about what to do and how or when to do it was perhaps only a personal reflection of the American opinion of the time. His papers suggest that he did not want a "crippled Germany," but he also wanted no compromise with German militarism. He was prepared to go to almost any length in tolerating British policy, but he still hoped that Germany would accept American intervention, notwithstanding his apparent determination that intervention, when it came, should



Colonel House photographed with President Wilson, whose unofficial adviser he was during the war

be on the allied side. He was trying to discriminate between the German people and the German Government, but he had little knowledge of German opinion beyond what Ambassador Gerard gave him. His contact with British opinion had been, as it continued to be, mainly through Government officials and their social entourage; he had barely touched the surface of France, and if he had any real acquaintance with the political situation in Eastern

Europe, his papers do not show it. A wiser man than he might well have been baffled by the difficulty, under such incongruous circumstances, of playing both ends against the middle in a game whose stake had yet to be clearly announced.

The Autumn of 1915 saw the beginning of the last, and in some ways the most extraordinary, of House's major efforts. "My suggestion," he told Wilson in New York, "is to ask the Allies, unofficially, to let me know whether or not it would be agreeable to them to have us demand that hostilities cease. We would put it upon the high ground that the neutral world was suffering along with the belligerents and that we had rights as well as they, and that peace parleys should begin upon the broad basis of both military and naval disarmament. * * * The Allies, after some hesitation, could accept our offer or demand and, if the Central Powers accepted, we would then have accomplished a master stroke of diplomacy. If the Central Powers refused to acquiesce, we could then push our insistence to a point where diplomatic relations would first be broken off, and later the whole force of our Government—and perhaps the force of every neutral—might be brought against them."

How unlikely such a program was to succeed, in view of the plans of territorial and political aggrandizement that the Allies had already formed, Professor Seymour clearly points out, but the method by which House proposed to set the plan in motion had the additional disadvantage of being somewhat equivocal. "I would not let Berlin know, of course, of any understanding had with the Allies," he wrote to Grey on Oct. 17, "but would rather lead them to think our proposal would be rejected by the Allies." Grey was cold to the scheme, but the German Government sent word through von Bernstorff that it would like to confer with House, and at the end of December House started for Berlin by way of London. As was to be expected, he found Berlin in no mood to accept Allied terms, and the only outcome of the famous conference at Lord Reading's house in London on Feb. 14 was an agreement that "the President should at some later time, to be agreed

upon, call a halt and demand a conference."

The end of this kind of secret diplomacy was not far off. The acceptance by President Wilson, with a formal but significant reservation, of the understanding arrived at by Grey and House regarding the proposal of a conference to end the war, was shortly followed by Lansing's proposal for the arming of merchant vessels. House saw at once that the success of his plan was seriously jeopardized. Moreover, the surrender of Germany on the submarine issue, which shortly followed, made it all the more likely that Germany would insist upon an equivalent British surrender in the matter of neutral trade. A strongly worded cable to Grey, on May 19, declared that "America has reached the crossroads, and if we cannot soon inaugurate some sort of peace discussion there will come a demand from our people * * * that we assert our undeniable rights against the Allies with the same insistence we have used toward the Central Powers." Grey's reply was to the effect that Great Britain could not act without France, and Ambassador Jusserand assured House that France would not listen to the word "peace." The grand design had gone on the rocks.

As far as the "Intimate Papers" enable us to judge, everything of importance that Colonel House undertook in connection with the war, down at least to April, 1917, ended in failure. He did not affect either British or German policy, and he was without influence in France. None of his major proposals was adopted, and the last and most important of them was all but peremptorily rejected. His greatest "bluff," that of trying to convince Europe that the United States was really neutral, deceived nobody, while by the time he had won Wilson to his scheme for a peace conference, the very idea of a conference had become impossible. The pageant which he staged in mystery and intrigue had only the substance of an optical illusion. With the legend of Marcus Whitman and the "saving" of Oregon may now be bracketed the legend of Colonel House and his influence upon the early course of the World War.

Spitsbergen, a New Province of Norway

By PAUL KNAPLUND

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AS time passes even the most remote and least desirable regions of this earth are appropriated by some State. The last of such annexations has been that of Spitsbergen, formally proclaimed Norwegian territory on Aug. 14, 1925. By christening her new province with the old name, Svalbard, "The Cold Coast," Norway made it clear that her claims to it were, at least in part, based upon a discovery of this land in the year 1194.

The territory annexed includes all islands between 10 degrees and 35 degrees longitude east of Greenwich and between 74 degrees and 81 degrees north latitude. It consists of four large and several small islands, with a total area of 25,000 square miles. The distance between the largest of them, West Spitsbergen, and Norway is 400 miles from point to point. Bear Island lies about midway between them. Coal has made these rocks valuable. Negotiations looking toward a settlement of their international status were far advanced when the war broke out in 1914. The question was taken up anew at the peace conference in Paris, and Norway's title to Svalbard rests upon a treaty of Feb. 9, 1920, later ratified or acceded to by every country that has even the remotest interest in this region.

Within recent times Norway, Russia and Sweden have been the chief claimants to Spitsbergen. For this reason the Norwegians were especially anxious to get the assent of the Soviet Government to the treaty, in the preparation of which, of course, it had had no share. But also in other respects the settlement of this question was not so simple as it might seem at first sight. In common with most other Old World problems it had a historical background that caused complications. In fact, the conflict over the ownership of the archipelago dates back more than three hundred years. Following its discovery

by William Barents, a Dutch navigator, in 1596, rival whalers from the Netherlands and from England began hunting on a large scale in the fjords and bays of Spitsbergen, and often engaged in bloody conflicts in these waters. A third claimant, Christian IV of Denmark, maintained that Spitsbergen, and indeed the whole northern region, belonged to his Norwegian kingdom—a claim which he founded in part on the erroneous assumption that Spitsbergen was connected with Greenland and also on the theory that the Arctic Ocean could be treated as a closed sea. With the disappearance of the whale, however, the chancelleries of Europe ceased to take an interest in Spitsbergen, and the question remained unsettled. The whaling stations were either removed or left to the mercy of wind and weather.

At the opening of the eighteenth century Russian hunters and trappers began to visit Spitsbergen. This period lasted about one hundred years, after which the Russians gave way to the Norwegians. Some of these seem to have visited the northern lands much earlier, but not until the last century did they go to Spitsbergen to hunt and fish quite regularly every year. Also some of them would, occasionally, stay there throughout the Winter. The idea of a permanent settlement was not seriously considered until 1867 when a group of men from the town of Tromsø, in Northern Norway, unsuccessfully sought Government aid for the purpose of building homes on Spitsbergen. Three years later the Swedish explorer, Professor E. A. Nordenskiöld, made a similar attempt. This time the permanent settlement was planned to form a part of a large institution for scientific investigations in the extreme North. The Swedish-Norwegian Minister of Foreign Affairs held that, if Spitsbergen were to be annexed, it ought to be taken over by Norway, but after Russia had stated, rather emphatically, that the islands

ought to be left as a no-man's land, Norway assented to the abandonment of the colonization schemes.

Meanwhile hunting and trapping were carried on ruthlessly, and the game was threatened with extermination. Coal was discovered, and mining companies from various countries began to stake out claims. The need for some sort of authority became yearly more imperative. In 1892 the Government of Norway suggested that steps should be taken toward an international agreement concerning Spitsbergen. But nothing was done. Seven years later Germany and Russia seemed about to clash over the possession of Bear Island. Two German companies seized a large portion of the island. Shortly afterward a Russian cruiser appeared with orders to hoist the flag of Russia wherever traces could be found of Russian establishments. Herr Lerner, the leader of one of the German expeditions, threatened to prevent this, if necessary, by force. But his Government gave him no support. Nor did the captain of the cruiser try to carry out his orders literally. The Russian flag was hoisted only at a point on the northern coast of Bear Island, and a wooden tablet, marked "Belongs to Russia," was set up.

Norway, still deeply interested in Spitsbergen, called an international conference in 1907 to fix the status of the islands. Her wish was to annex them outright, but Russia and Sweden objected to this. The three countries then joined in drawing up a plan which was considered by the Spitsbergen conference that met at

Oslo, then Christiania, on June 16, 1914. No results had been obtained when the conference adjourned shortly before the outbreak of the World War. When, during the war, Great Britain placed difficulties in the way of exporting coal to Scandinavia, Norway and Sweden tried to start mining in Spitsbergen. A powerful Norwegian company bought up the claims of an American and of several smaller companies and made preparations for mining on a large scale. Great Britain also began to pay more attention to the islands in the Arctic Ocean, and the historical section of the British Foreign Office prepared a rather detailed "peace handbook" on Spitsbergen. Baron Wedel Jarlsberg, the Norwegian Minister in Paris, brought the question before the peace conference and finally a treaty was signed by representatives of the great powers and Norway in Paris on Feb. 9, 1920.



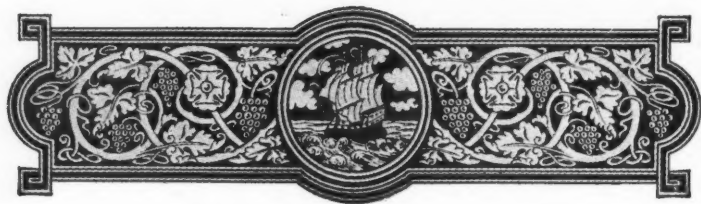
Map showing the position of Spitsbergen to Norway, under whose sovereignty it has recently come

The treaty provided that, while "the high contracting parties" recognized the sovereignty of Norway over the Spitsbergen archipelago, including Bear Island, the interests of their nationals should be carefully safeguarded. There is to be full equality in every field of work, whether economic or scientific. All laws, taxes and other regulations must apply alike to Norwegians and to foreigners. Disputes concerning claims to property are to be settled by a commissioner appointed by the Danish Government. And it is expressly stipulated that "Russian nationals and companies shall enjoy the same rights as nationals of the High Contracting Parties." The Soviet Government, after raising several objections to the treaty, accepted it in February, 1924. When all the signatory powers, including the United States, had exchanged ratifications, the Norwegians started passing laws and mining regulations for the new province.

The chief mineral on Svalbard, to use its new name, is coal. The full extent of the coal fields is not accurately known, but it has been estimated to contain about 8,750,000,000 tons, mainly carboniferous and Jurassic, although the more valuable

tertiary coal is reported to exist in considerable quantities. Some seams are nearly eight feet thick, and the mining operations are, in most instances, quite easy. The mines have hitherto been free from gas and very little timber is needed, since the ground is frozen the whole year. Up to and including the Summer season of 1923, about 1,773,000 tons had been exported from Svalbard. The export for 1924 totaled 446,000 tons. The principal mining companies are Norwegian, Swedish and Dutch, although English and Scotch companies own large coal fields which they have not worked to any considerable extent.

The greatest difficulty in the way of extensive mining operations is the short season for navigation, only about three months. The long Winter is also very oppressive, although there are now both the radio and the movies for the entertainment of the miners. Wages are high and the laborers are often unskilled. In Northern Norway the coal from Svalbard is gradually taking the place of English coal, and it is quite possible that this cold and distant land will some day become one of the leading coal mining centres of the world.



Mussolini's Nationalistic and Imperialistic Policies

By JOSEPH G. SHARKEY

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SEEMINGLY undisputed master of Italy, Benito Mussolini has in the Italian Tyrol, which before the war was part of Austria, a political problem of so delicate a nature that it will undoubtedly prove a great test of his patience and skill.

Last February, in a speech before the Chamber of Deputies, Mussolini declared with reference to the Brenner Pass that "Fascist Italy can, if necessary, carry its tricolor further beyond, but never lower it." Now, however, he must by tactful policies seek to win over to Italy some 150,000 people of German descent to dominate a district which Italy calls the Upper Adige, but which the Austrians and Germans call Southern Tyrol. I recently visited this district.

Many persons there declare Mussolini made a wrong beginning by banning the teaching of German in the elementary schools throughout an immense area occupied for centuries by what are now German minorities. When Trent before the war was part of Austria, the Austrian Empire permitted Italians, who dominated the district, to have their own schools and to have the Italian language taught therein, but the Mussolini Government vetoed a similar privilege for the Germans. This prohibition against teaching German to the younger generation is the chief outcry against Italian rule, for the Germans assert that the attempt to denationalize and deracialize them is a flagrant violation of the fundamentals of human equality.

The great goal of the German leaders in the Italian Tyrol is eventually to force the issue before the League of Nations, in the belief that as the minority populations are cared for by the League they will find at Geneva their best chance of securing redress. Meanwhile the German leaders are carrying on a determined campaign to ob-

tain revocation of the decree banning the German tongue.

The Italian Prefect of Trent, who directs the entire area under the supervision of Rome, seems entirely cognizant of the political activity of the Germans. He declared his position in these words:

Let it go on; it can do no harm. We sincerely seek to solve the delicate problem raised by the presence of 150,000 Germans. We are always glad to talk with the agitators on a friendly basis of cooperation and hear their complaints. But one thing Italy will never do, that is, permit the younger German generation to grow up without learning the Italian language, which henceforth is their national tongue. It was natural for Austria to permit primary instruction in Italian to Italians on Austrian soil, for Austria was an empire, not of one national tongue, but of eight, and by its very constitution had to respect all languages represented. But with Italy it is vastly different. Italy is a united nation with one language, one people. The world must recognize that in reason Italy cannot permit alien people to dwell on Italian soil without the youth being reared in the Italian tongue. This requirement does not constitute oppression; it is justified by the fundamentals of the Italian state of unity.

Will a Mussolini imperialism menace the movement for European reconciliation and reconstruction begun at Locarno and represented by the League of Nations? This is the question which is agitating many minds in Italy, even transcending in interest the internal situation.

Realizing that the lack of raw materials handicaps the country from the very start, Mussolini wants more colonies, in this respect duplicating the ambitions of the Germans, who want the restoration of some of their lost colonies which would provide additional raw materials to feed home industries. Last year Italy's unfavorable trade balance reached 8,000,000,000 lire. Her imports, chiefly wheat and oil from the United States, alone aggregated 4,000,000,000 lire more than her exports to the

United States. Wheat purchases in the United States constitute the biggest adverse item in the Italian trade balance. To offset this, Signor Mussolini has launched his spectacular "battle of grain," in which the peasants of the peninsula country are contributing to national solidarity by endeavoring to augment the harvest.

Where, however, will the Premier get his desired colonies? The recent landing of an Italian military contingent on the border of Somaliland, East Africa, indicates that the Fascist Premier, like the Japanese in Manchuria and Shantung, will endeavor to create "zones of influence" in Africa.

In a stricter economic sense, reliable information shows that Mussolini will endeavor to bring the entire Balkan peninsula within the domain of Italy's commercial expansion. This program has been initiated by the establishment of amicable relations with Greece, which are said to have effaced the bitter sentiments engendered by the Italian occupation of Corfu after the bombardment in 1923. If the Balkan States increase in prosperity, they can purchase more manufactured goods from Italy, especially textiles.

But Premier Mussolini dreams of the acquisition of an even vaster market for Italian manufactures, and that is the Russian market. The Italian Government with its extensive merchant marine hopes to capture the Russian market by the easy access of Italian ships from the Mediterranean to the Black Sea. Thus it can purchase wheat and oil from Russia more

cheaply than from the United States. For the moment, however, France, with the low-valued franc, possesses an advantage over Italy in exporting to the Mediterranean and Black Sea zones.

I find in Italian circles scant admiration for the League of Nations, or for that form of international cooperation for which the League especially stands. Premier Mussolini labors indefatigably, like a man exalted, dedicating himself to the furtherance of Italian interests at home and abroad. It is generally admitted that he has produced a nationalistic spirit not surpassed elsewhere in the world, which leaves little room for the internationalism represented by Geneva. Nevertheless, it is not believed in responsible quarters in Rome that Il Duce would push his ambitions so far as to drive Italy into a war of aggression. One official said:

Have no fear that Signor Mussolini will plunge Europe into new carnage. If you would understand Italy and Mussolini himself, you must deduce that when Mussolini speaks he is speaking for the multitudes at home; for he knows that Italy's future prosperity, happiness and greatness must be based primarily on the rebirth of the national spirit, national confidence and national patriotism.

On the other hand, the *Corriere Padano*, a newspaper controlled by a friend of Mussolini, is quoted as saying: "Europe must peacefully grant us some colonies, or we will, sooner or later, take them by force. Fascism must cross the frontiers of Italy or perish like an unfulfilled promise."



The War Guilt Controversy

I.—Need of Precise Definition of What Constitutes “War Guilt”

By CHARLES ALTSCHUL

A retired banker, formerly associated with a French international banking house in America;
author of “The American Revolution in Our School Text Books” and “German
Militarism and its German Critics” (United States Government War Series)

IN considering the question of responsibility for the World War it should be made clear whether one has in mind responsibility for the fundamental conditions which caused the war or responsibility for the events which precipitated the actual outbreak.

By practically common consent, responsibility for the fundamental conditions is now placed on the shoulders of all the great European nations; they all share the blame for the “European anarchy,” brought about by huge armaments, mutual distrust, fear of one’s neighbors. Historians will assign to each of them a differing degree of blame, and there will continue to be marked differences of opinion between historians themselves on the question of relative responsibility.

Not so with responsibility for the outbreak of the war. This can be traced more definitely, and although much material known to the different Governments in July, 1914, still may come to light, enough has been made public already to permit a close analysis. The practical result of such an investigation lies in the fact that it does teach a direct lesson for the future; it focuses attention on a condition of affairs which can be remedied, for the avoidance of which, in fact, the League of Nations now offers a thoroughly rational basis. If, in place of Lord Grey’s personal attempt to secure a conference in those last fateful days, there had existed the vehicle now provided by the League, the catastrophe would in all likelihood have been avoided.

Manifestly, measures taken in 1914 must not be interpreted in the light of facts unknown to the Governments at the time they

acted; this cannot be emphasized too strongly.

The published impression that Germany, by signing the Treaty of Versailles, assumed morally or otherwise sole responsibility for the World War, to the exclusion of her allies and enemies alike from any share in the guilt, is erroneous. Neither in the preamble to the Treaty nor in Article 231 is Germany charged alone; her allies are invariably mentioned with her, and, in fact, Austria’s declaration of war against Serbia is specifically listed as the first act of aggression.

The supposed fastening upon Germany of exclusive war guilt, in contradistinction to the Entente Powers, is a matter of greater moment. The idea that by signing the treaty Germany had been forced to commit herself to the acceptance of any such theory is unwarranted.

The covering note in connection with the treaty negotiations, addressed by Clémenceau on July 16, 1919, to the President of the German Peace Delegation at Versailles, on behalf of the Allies, did contain assertions regarding German responsibility for causing the war and German war guilt which the Germans have resented ever since. For valid reasons, no doubt, these charges were omitted from the treaty itself, and nothing but Germany’s signature to the treaty commits her before the world.

In English-speaking countries there might possibly be a slight misconception of the nature of the responsibility charged, because the English wording of Article 231 does not exactly correspond to the French and the German versions. In the French version, Germany, because she caused them (*pour les avoir causés*), in

the German version, Germany as originator (*als Urheber*), is held responsible for all the losses and damages to which the Allied and Associated Governments and their nationals have been subjected; in the English version, however, Germany is held responsible for *causing* all the loss and damage. This slight difference in wording has apparently afforded the basis for the general circulation of the assertion that, in signing the Treaty of Versailles, Germany and her allies were obliged to recognize that they were responsible for *causing the war*, while as a matter of fact they were merely asked to recognize by their signature their responsibility for losses and damage; and this, in either the French or German version, meant the assumption of a financial and not a moral responsibility.

It is true that the losses and damage are described as a consequence of the war imposed upon the Allied and Associated Governments by the aggression of Germany and her allies; but this is a purely incidental recital of facts, and involves no acquiescence on the part of Germany in the pronouncement of a moral judgment. As a German newspaper editor puts it:

The German ultimata of July 31, to Russia and France, the declaration of war on Russia in the evening of Aug. 1, the one on France in the evening of Aug. 3, the invasion of Belgium on the morning of Aug. 4, are historical and juridical facts which cannot be controverted. This is what we subscribed to, and nothing else. Whatever else has been falsely asserted on the side of the Allies as regards Germany's intentional bringing on the war is contained in some one-sided documents to which we have not subscribed, so that there is no question of an "enforced confession of guilt."¹

The Treaty of Versailles, in reciting separate acts of aggression, unquestionably implies Germany's responsibility for the outbreak of the war; it does not charge Germany with responsibility in any wider sense. The well-known German historian, Hans Delbrück, admits that

the wording of this article [231] does not specifically say that we wanted war from the start and schemed it. It likewise warrants the interpretation that we had acted precipitately or in putative self-defense, which in turn leaves open the possibility that the others had given us cause for this mistake, and the charge of sole responsi-

bility on which the peace structure is reared thereby falls to the ground.²

RUSSIA'S RESPONSIBILITY

A great effort is still being made to relieve Germany even of the limited charge of responsibility for the outbreak of the war by trying to fasten it upon Russia. This is merely a continuation of the attitude taken by the German Government in July, 1914, when the importance of throwing the responsibility upon Russia was emphasized in Government communications. The extracts from the following telegrams sent by the German Chancellor, von Bethman Hollweg, to the German Ambassador in Vienna are illuminating:

July 27, 1914. By refusing every act of mediation we would be held responsible for the conflagration by the whole world and be represented as the real inciters to war. That would also render our own position untenable at home, where we must appear as the ones forced into war.³

July 28, 1914. According to the report of the Austrian General Staff an active military advance against Serbia will not be possible before Aug. 12. * * * The Imperial Government is thereby placed in the extraordinarily difficult position that it is in the meantime exposed to the mediation—and conference—proposals of the other cabinets, and if it persists in its aloofness toward such proposals as heretofore, the odium of having been responsible for a world war, would finally fall upon it even in the eyes of the German people. A successful war on three fronts cannot be contrived or carried on on such a basis. It is imperatively necessary that the responsibility for the possible spreading of the conflict to those not immediately interested should under all circumstances fall upon Russia.⁴

July 30, 1914. If Vienna * * * declines altogether to come around, and declines particularly the last proposal of Grey it will hardly be possible any longer to saddle Russia with the responsibility for the European conflagration about to break out.⁵

Also the statement by the German Ambassador in Vienna, on July 29, to the Austrian Premier, Count Berchtold, to this effect:

The proposal of mediation of the Chancellor was by no means to be understood as if the Chancellor wished to bring pressure to bear upon Austria or

²Deutsch-Englische Schuldiskussion, Hans Delbrück, p. 20.

³Kautsky's Die Deutschen Dokumente zum Kriegsausbruch, No. 277.

⁴Kautsky's Die Deutschen Dokumente, No. 323.

⁵Same, No. 441.

¹Editorial of Ehrlich Schairer in Die Sonntags Zeitung, Heilbronn, Sept. 7, 1924.

as if he intended to hold Austria-Hungary back, but in case of a world war, the blame was to strike Russia alone.⁶

These comments show not only Germany's intention to relieve herself of responsibility, but the distinct purpose besides of fastening it upon another country. In view of the attitude thus reflected, it should be borne in mind that the origin of the alliance between Russia and France was not aggressive; that the Secret Treaty of 1892 was negotiated

without any other purpose than to guard against the exigencies of a defensive war provoked by an attack of the forces of the Triple Alliance.⁷

This thesis—the basic principle of all Franco-Russian policy since—is repeated over and over again in official papers of the two Governments and was so well understood that a former member of the German General Staff wrote: “* * * Germany, whose prior mobilization was the premise of all Franco-Russian stipulations * * *.”⁸

Some investigators have tried to make much of the conferences between the chiefs of the General Staffs of the two countries and particularly of the definition agreed upon that “a defensive war” did not in this case mean “a war which was to be carried on defensively.”⁹ This definition was agreed upon to make sure that if the terms of the treaty came into play the old Russian method of waiting to draw the enemy into the interior of the country would be abandoned; it certainly was the intention, in such an event, to move both armies as near the frontiers as possible and to force Germany to defend herself on both fronts simultaneously. This understanding did not in any way affect the character of the treaty; it still remained with Germany to commit the overt act which alone would force the two countries into war.

GENERAL STAFF CONFERENCES

The minutes of these conferences of the two General Staffs show that everything touching military preparation was fully

discussed; the army was to be ready to attack on the fifteenth day of mobilization; plans were formulated to meet more particularly the Schlieffen plan (devised by the German General Staff to carry on hostilities on both fronts), some of the features of which had evidently become known, and through them the intention to attack France promptly and energetically before the Russian mobilization could be completed. It must be emphasized that these conferences of the General Staffs were of a technical nature only and in no way binding on the policy of the heads of the two Governments, nor controlling their decisions.

The attempt has also been made to give a sinister interpretation to the correspondence of the Russian diplomat Izvolsky, dated 1910 to 1914, during much of which time he was Russian Ambassador in Paris; but in this instance too the material point has been disregarded that the expressions, desires, and acts of politicians and diplomats were based upon the anticipated aggression of Germany on the Western front or of Austria in the Balkans. Even if certain ambitions are described as unattainable except through European complications, there is no intention whatever expressed to bring about a war for the purpose of securing the objects desired. A reading of the letters and telegrams consecutively, and not merely of single examples will show this.

When one peruses the literature concerning this particular controversy, one wanders as in a maze, bewildered by the many contradictions and by the inadequacy of definitely reliable information, so that it is hard to see the wood for the trees. However, if one resists the temptation to stray along by-paths, one finds it difficult to escape the impression that Russia and France were not in the least inclined to provoke hostilities, and merely did what they thought their vital interests demanded in view of the far greater rapidity of German than of Russian or French mobilization. No doubt many Russian military men would have preferred to fight—like the soldiers in every country—but the bellicose among them were not in control. On July 26, 1914, the German Military Attaché in St. Petersburg, von Chelius, reported that

⁶Kanner's *Die Neusten Geschichtslügen*, p. 27, quoting the 1919 Austrian Red Book, III., No. 24.

⁷*Documents Diplomatiques, l'Alliance Franco-Russe*, 1918, p. 81.

⁸*Russland's Eintritt in den Weltkrieg*, Gunther Frantz, p. 46.

⁹*Un Livre Noir*, Vol. II., p. 419.

in the circle of the peaceably disposed, monarchically minded higher officers in the immediate entourage of the Czar, a telegram from his Majesty the Emperor and King to the Czar was looked upon as the best means of preserving the peace between the great powers.¹⁰

So they were thinking of peace, not of war! Nor were the men responsible for the civil government of Russia in any different mood. On July 26, 1914, the German Ambassador in St. Petersburg reported to the Foreign Office in Berlin that Sazonov emphasized with the greatest fervor that nothing was further from Russia's mind than a desire for war; that on the contrary, he was ready to exhaust all means to prevent it.¹¹

The Austrian Ambassador shortly thereafter reported to his Government, on July 29, 1914:

My impressions were that, in view of the prevailing disinclination to get into a conflict with us, the Minister (Sazonov) was clinging to a straw in the hope of still escaping from the present situation.¹²

and again on July 30—and this time certainly after mobilization by Russia—that Minister (Sazonov) shrinks from war just as his Imperial master and, without drawing immediate conclusions from our Serbian campaign, tries to deprive us of the fruits of it, without war, if possible.¹³

In spite of this situation the course of events seems to have demanded that the blame be fastened upon Russia, and out of this atmosphere arose the effort to throw upon her mobilization the responsibility for the outbreak of the war.

IS MOBILIZATION EQUIVALENT TO WAR?

In the efforts to hold Russia responsible for the outbreak much use has been made of the assertion that "mobilization is equivalent to war." This thesis has been given altogether too much prominence. Neither the Austrian nor the Russian mobilization was the first step in the World Tragedy, as Hans Delbrück intimates when he says in speaking of the earlier Austrian ultimatum to Serbia, that "surely this ultimatum has

released (*ausgelöst*) the war, though it did not cause (*verursacht*) it."¹⁴

Is, then, the general application of this thesis really founded on fact? Surely, the implication it gives to the term "mobilization" is quite contrary to that heretofore generally conceded. The thesis was in 1914 solely a German military and administrative conception and applied only to a German mobilization. When the German Chancellor, speaking on military preparation before the Prussian Ministry of State, on July 30, said that "declaration (by Germany) of a threatened state of war (*Drohende Kriegsgefahr*) signifies mobilization, and that, in view of our position—mobilization on both fronts—war,"¹⁵ he thereby explained why German mobilization meant war: it was because of Germany's special geographic position which would compel her to mobilize on both fronts. But this explanation did not intend to refer, nor did it refer, to any but a German mobilization. A direct distinction between a Russian and a German mobilization was, besides, drawn in the telegram from the Austrian Captain Fleischmann, attached to the German General Staff in Berlin, to the Chief of the Austrian General Staff, sent after consultation with General von Moltke on July 30:

Contrary to customary Russian mobilizations and demobilizations, Germany's mobilization would certainly lead to war.¹⁶

This simply meant that a German mobilization would lead to war, but a Russian mobilization would not necessarily do so, because one had already grown accustomed to them.

The attempt to apply to the Russian mobilization of 1914 the thesis that "mobilization is equivalent to war" would appear to have been an after-thought, but may have been inspired by the order from the Czar issued on Feb. 23-March 12, 1912, to the effect that

* * * on the announcement of general mobilization in European Russia on account of political entanglements on the Western frontiers, the telegram of the Czar ordering mobilization shall be at

¹⁰Die Deutschen Dokumente, No. 229.

¹¹Die Deutschen Dokumente, No. 217.

¹²Kanner's Die Neuesten Geschichtsluegen, p. 37, quoting from the 1919 Austrian Red Book, III, No. 16.

¹³Kautsky's Delbrueck und Wilhelm II, p. 23.

¹⁴Delbrueck's Deutsch-Englische Schuldiskussion, p. 43.

¹⁵Die Deutschen Dokumente, No. 456.

¹⁶Die Kriegsschuldfrage, March, 1924, pp. 44, 45; article by General von Kuehl.

the same time considered the order for the commencement of hostilities against Austria and Germany.¹⁷

But this order was no longer in force in 1914, and could therefore have had no influence on events connected with the World War. The order had been cancelled by later orders, issued on Nov. 13-26, 1912, and June 26, 1913, according to which

* * * commencement of war was to be separated in form from mobilization, and the commencement of hostilities was to be ordered by separate telegram signed by the Minister of War, giving the name of the enemy power and the time of the commencement of the war, or was to be made dependent upon the action of the opponents.¹⁸

This was not merely a change in form, because so thoroughly did the Russian Government wish to alter the old order that a telegram was dispatched by the Chief of the General Staff to the Commander in Chief of the Warsaw District, saying that

* * * as regards hostile acts on the part of our Western enemies, it is ordered with highest approval that single shots are not to be considered a declaration of war, but that every unauthorized crossing of our frontier by an armed Austrian, German or Rumanian force is to be regarded as the commencement of hostilities by the respective power, and must on our part call for the most energetic resistance by the armed forces.¹⁹

The Russian Government at that time then did not consider mobilization equivalent to war, but was even willing to disregard a few stray shots. Nor had their attitude changed concerning this on July 30, 1914, when the German Military Attaché, von Chelius, wired to Berlin:

I am under the impression that mobilization was ordered here for fear of coming events, without aggressive intent.²⁰

Such then was the attitude of the Russian Government. No sign of a desire to revive the thesis abandoned in 1912 and 1913.

WHEN RUSSIA MOBILIZED

What, then, was the reaction of the Austrian Government when Russia mobilized?

Did they look upon it as an equivalent to war? On July 29, the Austrian Minister for Foreign Affairs, Count Berchtold, telegraphed to the Austrian Ambassador in Berlin:

Point out [to the German Government] emphatically, that for military reasons, our general mobilization will have to be ordered at once, unless the Russian mobilization is stopped immediately.²¹

On July 30, Count Bechtold wired to the Austrian Ambassador in St. Petersburg:

Since Russia is obviously mobilizing against us, we are compelled to extend our own mobilization. I, however, wish to point out expressly that this measure should not be considered as a hostile act against Russia, but simply as a response to the Russian mobilization.²²

On July 31, Count Berchtold telegraphed to the Austro-Hungarian Embassies, Legations and Consulates:

In response to Russian Government order for mobilization at our frontier, we are forced to take similar measures in Galicia.²³

On July 30, the following telegrams had also been dispatched by the German Ambassador in Vienna to the Foreign Office, Berlin:

Conrad von Hötzendorf [Chief of the Austrian General Staff] is to submit to the Emperor tonight the order for general mobilization as a reply to the preparations already made by Russia.²⁴

and by the Austrian Captain Fleischmann, attached to the German General Staff in Berlin, sent after a conference with General von Moltke to the Chief of the Austrian General Staff in Vienna:

Russian mobilization no reason yet to mobilize; not before a state of war exists between the Monarchy and Russia. * * * Don't declare war on Russia but await her attack.²⁵

whereupon von Hötzendorf wired to von Moltke: " * * * We shall not declare war on Russia nor start the war."²⁶

Everywhere there was evidence that mobilization was to be met by counter-

²¹Oesterreichisches Rotbuch 1915: Diplomatische Aktenstücke zur Vorgeschichte des Krieges, 1914, No. 48.

²²Same, No. 50.

²³Same, No. 53.

²⁴Die Deutschen Dokumente, No. 465.

²⁵Die Kriegsschuldfrage, March, 1924, pp. 44, 45, General von Kuehl's article.

²⁶Same, p. 43.

¹⁷Günther Frantz' Russland's Eintritt in den Weltkrieg, p. 46.

¹⁸Same, p. 47.

¹⁹Same, p. 238.

²⁰Die Deutschen Dokumente No. 445.

mobilization, and that there was no idea of taking mobilization more seriously. Even after the Russian general mobilization, in fact as late as Aug. 1, the Austrian Ambassador in St. Petersburg called on and conversed with the Russian Minister for Foreign Affairs, Sazonov, a step which would surely not have been taken if the thesis "that mobilization is equivalent to war" had been recognized.

Still more interesting is the question how the Germans themselves looked upon the Russian mobilization at that time. Official telegrams and notes are fortunately available to shed some light on this problem too.

The German Chancellor wired to the German Ambassador in St. Petersburg, July 29, 1914:

Please call Mr. Sazonov's attention seriously to the fact that continuation of Russian mobilization preparations would compel us to mobilize, and that then a European war could hardly be prevented.²⁷

In reporting the execution of this order, the German Ambassador in St. Petersburg wired to the Foreign Office in Berlin:

Have just made the communication ordered to Mr. Sazonov, and emphasized in that connection, that no threat but a friendly warning is intended. * * * Mr. Sazonov admitted to Count Szapary [Austrian Ambassador in St. Petersburg] that mobilization is impending, and added that the order for mobilization would be published with an explanatory note which would point out that mobilization is not to be considered an intention of the Russian Government to carry on war.²⁸

The manner of transmitting this message to Sazonov is of the greatest interest, because it shows the friendly spirit in which the German Government acted in spite of the Russian mobilization—far different from what one should have expected if this mobilization had been considered to be equivalent to war. In a report of the German General Staff to the Chancellor dated July 29, we find:

Therefore, if a collision between Austria and Russia seems unavoidable, Germany will mobilize and stand ready to carry on war on both fronts.²⁹

The French Ambassador in St. Peters-

burg wired on July 29, 1914, to the Minister of Foreign Affairs in Paris:

The German Ambassador has called to inform Mr. Sazonov that if Russia does not stop her military preparations, the German army would receive orders to mobilize.³⁰

This surely is not evidence that mobilization and war were considered synonymous! Many Germans still think that a counter-mobilization would have answered all purposes and would have given time for further efforts to preserve the peace.

INVESTIGATORS' VERDICT

Dr. Heinrich Kanner, a prominent journalist and investigator, who had studied the threatening aspect of European politics many years before the outbreak, points out that

* * * inasmuch as the opinion of the German General Staff has always been quoted with reference to the Russian general mobilization of July 31, and so far all criticism has thereby been silenced, the reasoning has been accepted on faith, although it does not appeal to one's common sense that mobilization must at once be war, when so many mobilizations in the history of modern times are known which did not lead to war. [Like those two Russian-Austrian mobilizations of 1909 and 1912.]³¹

Karl Kautsky, who first examined the German secret archives after the German Republic came into existence, and who has written profusely on these subjects since, says:

It was entirely unnecessary from a military point of view to cut off negotiations on Aug. 1, by the harsh declaration of war, inasmuch as there was no intention anyway to send troops at once across the frontier and commence hostilities. My simple layman's sense tells me that, but experts said the same.³²

One of the most prominent of these experts may here be quoted. Admiral von Tirpitz wrote:

I learned on Aug. 1 * * * that we had followed up the ultimatum with a declaration of war on Russia. I found that very unfavorable for Germany. * * * Moltke, whom I consulted regarding the crossing of the frontier, disputed the intention to send troops across the frontier at

²⁷Die Deutschen Dokumente, No. 342.

²⁸Same, No. 378.

²⁹Same, No. 349.

³⁰Documents Diplomatiques 1914, La Guerre Européenne, No. 100.

³¹Dr. Kanner's Die Neuesten Geschichtslügen, p. 30.

³²Kautsky's Delbrueck und Wilhelm II, p. 28.

once. He told me, too, that from his standpoint, he did not attach any importance to the declaration of war. The riddle why we first declared war, remains therefore unsolved as far as I am concerned.³³

But above all, the Chancellor of the Empire considered Russian mobilization so entirely different from war, that on July 30, 1914, in reporting on the condition of affairs to the Prussian Ministry of State—speaking not to affect Parliament, not to affect public opinion, but speaking in the secrecy of the closest Government circles—he said:

The mobilization of Russia has indeed been ordered, but their measures of mobilization are not to be compared with those of Western Europe. The Russian troops might remain for weeks in this state of mobilization. Russia intends no war either, but has been forced to take her measures by Austria.³⁴

Are these not words which will return to plague him as much as his declaration that the invasion of Belgium was a breach of international law?

Two days after the Chancellor had expressed the view that Russia did not intend war, and had spoken so calmly about Russian mobilization, Germany demanded its cessation under threat of war—and war followed. The Chancellor's change of front has been attributed to the information which had meanwhile reached him that the Russian Government had followed partial mobilization by an order for general mobilization. The claim that this affected the situation fundamentally is open to very serious question. Germany's great advantage over her neighbors, both in rapidity of mobilization and in facility of movement, remained unimpaired; it was as the Allied experts had feared—three days after

the declaration of war, the German army was in Belgium!

The opinion would seem justified that there was no compelling reason why the Chancellor should have blocked further attempts to preserve the peace by abdicating so soon in favor of the German General Staff, whose eagerness to carry out the Schlieffen plan of attack was well known.

A closer estimate of the situation may perhaps be found in the following statement by Hans Delbrück:

Inasmuch as the General Staff was convinced and this had to be determining for the Chancellor, that the absolutely only way which could secure victory for us was the road through Belgium, and we had to finish this campaign as far as possible, before the massed armies of Russia could pour down upon our Eastern frontiers, we had to start war simultaneously with mobilization, and particularly take the fortress of Liège before it was fully ready for defense. But we could not demand the right to invade Belgium nor commence it before there was war with Russia. The Russians would, of course, not declare war on us until their mobilization was well advanced; so we had to declare war upon Russia in a hurry.³⁵

Kautsky's comment on this extraordinary admission is well warranted:

It was therefore not the Russian mobilization that made war unavoidable, but the belief of the German General Staff that war was unavoidable.³⁶

A consideration of the preceding material would seem to render the conclusion irresistible that the broad assertion "mobilization is equivalent to war," as applied to the Russian mobilization of 1914, is untenable.

[The author of this article wishes to emphasize the point that the extracts from documents and other quotations must not be regarded as representing the complete text of such quoted matter.]

³³Von Tirpitz, *Erinnerungen*, pp. 240, 241.

³⁴Die Deutschen Dokumente, No. 456.

³⁵Preussische Jahrbuecher, January, 1920; Delbrueck's *Die Kautskypapiere*, p. 88.

³⁶Kautsky's *Delbrueck und Wilhelm II*, p. 29.

II.—A New Interpretation of the "Responsibility" Clause in the Versailles Treaty

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The Allied and Associated Governments affirm and Germany accepts the responsibility of Germany and her Allies for causing all the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Germany and her Allies.—Article 231 of the Treaty of Versailles.

IN the Treaty of Versailles there is no other article like Article 231. The greater part of the 440 articles of the treaty make material demands upon Germany for colonies and territories, for conventional privileges and rights of surveillance, for items of private property and portions of the public domain; Article 231 requires no material fulfillment. Other articles are already in force, or, being recognized as unenforceable, are now considered as dead letters; Article 231 can neither be enforced nor ignored. The Germans have shown since Locarno that they are willing to accept, in the main, the provisions of the Treaty of Versailles as the basis of European order; they made a specific exception of Article 231. They regard it as an anomalous item in the public law of Europe. The *Schuldartikel*, they call it, the Article on Guilt. They think of it as a juridical insult. Other articles demanded material sacrifices, they say, but this required the sacrifice of German honor.

The prevailing German opinion that Article 231 impugns German honor is ill-founded. The article is rather an assumption of liability to pay damages than an admission of war guilt. It is more analogous to the declaration of a man who undertakes to pay all the cost of a motor accident than to the plea of guilty entered by an accused criminal. The distinction between guilt and responsibility is a distinction to which the substantive law and the moral sentiment of the whole world is sensitive. We cannot ignore this distinction in discussing the origin of the war.

There are innumerable documents in which it is asserted that Germany is criminally guilty of the war, that the war was her premeditated act. The famous Potsdam Council myth was believed in Allied countries to furnish irrefutable evidence of this guilt. The speeches of Allied statesmen rang with the accusation. The Peace Conference Commission on War Responsibility reported that "the war was premeditated by Germany and was the result of acts deliberately committed in order to make it unavoidable." The ultimatum with which Clémenceau closed the discussion on the Treaty of Versailles was equally emphatic in asserting that Germany criminally premeditated the war. The Germans think that these accusations were incorporated in the treaty, but in this they are mistaken.

The only passage in Article 231 that permits an interpretation derogatory to German honor is the phrase which describes the war as one "imposed * * * by the aggression of Germany." There are two possible meanings for the term "aggression," the one political, the other legal. Aggression in the political sense would mean "an aggressive policy" previous to the war—the kind of conduct that Asquith referred to when he declared that Germany had been a bad neighbor. The political reading of the article still falls short of asserting that Germany *premeditated* the war, but it is humiliating to the Germans because it asserts that German politics were evil. This is the reading given the article by the British and French publicists who have set out to secure its revision. It is the reading which makes the article a juridical absurdity, for the treaty can no more alter or fix or determine a historical fact than it can alter or determine a natural law. It is as if a law should declare that Rome fell on account of the spread of malarial fever, or a con-

tract were to specify that Napoleon was a genius, or a convention provide that Bacon wrote Shakespeare's plays.

But if the word "aggression" is taken in the legal sense, it refers to certain definite acts which were indisputably performed by Germany and her allies—the declarations of war and the invasion of Belgium. These acts correspond to the *agression* of French law—*Losschlagen* in German—the first blow struck in an affray. They are equivalent to the acts which the Locarno pact would describe as aggression: "to invade," "to attack," "to resort to war." They unquestionably constituted a formal imposition of war upon the Allies, for they converted a state of peace into a state of war and brought into being the *casus foederis* of the Allied Powers. To describe the war as one "imposed on the Allies" by the German declaration of war and invasion of Belgium is to assert a commonplace truth which no writer on the question of war origins denies, and which leaves the question of war guilt and German honor untouched.

The legal interpretation of Article 231 is the only one that will stand scrutiny. Any other reading leaves the next article, 232, hanging in the air, and does violence to the history of the text and of the negotiations. For it can be shown that the word "aggression" in the treaty is descended from the expression "aggression by land, by sea or in the air" in Lansing's pre-armistice note to the German Government (Nov. 5, 1918), a phrase which in turn is derived from the words "invasion par terre, par mer, &c.," in the draft prepared by the Supreme Council at Paris on Nov. 1, 1918. It is absurd to give such phrases a political meaning. The legal interpretation is the only one that can stand.

Although the legal reading has been accepted by scholars, it has made no impression upon the agitation in Germany on the question of war guilt. The great societies which are presenting the German case to the world, the *Arbeitsausschuss Deutscher Verbände* and *Zentralstelle für Erforschung der Kriegsursachen* have taken note of the fact that the text of Article 231 does not furnish a satisfactory

basis for the discussion of the question of war responsibility, but the German people are still convinced that their honor is compromised by the text of this article. If we trace the War Guilt controversy back to Versailles we shall find that Brockdorff-Rantzau himself, on behalf of the German delegation, had already given the article a political interpretation in his note of June 18. Clémenceau's reply showed that the legal interpretation was the correct one, but Brockdorff-Rantzau continued to hang the discussion of the political origin of the war on the text of Article 231. And there the discussion has hung ever since. How are we to account for so persistent a misreading of the article?

The explanation is almost incredible. It now appears that Article 231 was not correctly translated into German, and that the difference between a provocative and a non-provocative interpretation is accounted for by the difference between the French-English and the German texts of the treaty. Compare the following translations:

OFFICIAL ENGLISH TEXT

The Allied and Associated Governments affirm and Germany accepts the responsibility of Germany and her allies for causing all the loss and damage to which the Allied and Associated Governments and their nationals have been subjected in consequence of the war imposed upon them by the aggression of Germany and her allies.

GERMAN TRANSLATION (GOVERNMENTAL)

Die All. und Ass. Regierungen erklären und Deutschland erkennt an, dass Deutschland und seine Verbündeten als Urheber für alle Verluste und Schäden verantwortlich sind, die All. und Ass. Regierungen und ihre Staatsangehörigen infolge des Krieges, der ihnen durch den Angriff Deutschlands und seiner Verbündeten aufgezwungen wurde, erlitten haben.

OFFICIAL FRENCH TEXT

Les Gouvernements Alliés et Associés déclarent et l'Allemagne reconnaît que l'Allemagne et ses alliés sont responsables, pour les avoir causés de toutes les pertes et de tous les dommages subis par les Gouvernements Alliés et Associés et leurs nationaux en conséquence de la guerre, qui leur a été imposée par l'agression de l'Allemagne et de ses alliés.

REVISED (BINKLEY-MAHR) TRANSLATION

Die All. und Ass. Regierungen erklären und Deutschland anerkennt für sich und seine Verbündeten die Haftbarkeit für die Verursachung des gesamten Schadens und Verlustes, dem die All. und Ass. Regierungen und ihre Staatsangehörigen infolge des Krieges, zu dem sie sich durch das *Losschlagen* Deutschlands und seiner Verbündeten ausgesetzt worden sind.

We have placed side by side the German governmental version and our own suggested revision of the translation. One who knows German will see at once that the governmental version gives the article the erroneous and provocative *political* reading, while the revised translation keeps strictly to the actual *legal* meaning of the article. Another difference between the two versions is even more surprising. The governmental text introduces a totally new idea, which is not present in the real treaty, when it uses the phrase *als Urheber*. The German word for one who merely causes a thing is *Verursacher*. The word *Urheber* connotes something mental and purposive. It means *instigator*, *framer*; it is usually translated into English as *author*. In the context above it implies premeditation of the war.

The effect of the gratuitous introduction of this word into the text of the article is well illustrated in a curious document distributed in America by the *Fichte-Bund* of Hamburg—a propaganda leaflet numbered "162-English." This leaflet prints an English paraphrase of Article 231, which shows by its stilted style that it is the German translation turned back into English, and never compared with the original English text:

The Allied and Associated Governments declare, and Germany admits it, that Germany and her allies, as authors of the war, are responsible for all losses and damages that the Allied and Associated Governments and their subjects have suffered as a sequel to the war forced upon them by the attack of Germany and her allies.

Note the expression "as authors of the war." Nothing in the French-English text corresponds to it. But that phrase is exactly what a German sees in his text of the treaty when he reads *als Urheber*.

Our revised version corrects the Government version in two ways—by leaving out the notions of *political aggression* and of *deliberate premeditation*, which have no place in the treaty. Perhaps the first step in the revision of Article 231 should be a revision of the governmental German translation by the Germans themselves.

How strange that it should have been on this article that the translator's finger slipped! On other articles he might have run wild as he pleased; it would have made no difference. He might have changed all the affirmatives into negatives; the treaty would still have gone into effect regardless of the German text and only the French-English text would have been consulted by those charged with its execution. Yet here was one article which turned out to be important because of its verbal formula in German rather than its substantial meaning in French and English. And it was on this article that the translator erred. If it were not so serious a matter it would be one of the best jokes of modern history. We can sum up our conclusion in these words: That the prevailing German belief that Germany signed away her honor in Article 231 of the Treaty of Versailles is based upon a text which has no legal validity whatsoever, and which Germany never signed at all.



Trade Rivalries That Lead to War

By JEROME DAVIS

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ONE of the social problems which society has not yet solved is the precise cause of war. Of course, each country prides herself that she of all others is blameless, that war is always due to some outstanding evil characteristic of the enemy. Has any people or nation in the world during the twentieth century ever been willing freely to admit that it has been guilty of causing a war? It is conceivable that in our self-exoneration and laudation we may in some measure be deluding ourselves. Perhaps we all fall into a sort of hypnotic hysteria under the emotional stimulus of conflict and the spell is worked off in a sort of national self-glorification. Certainly if we examine our own statements during and after war we find rather appalling discrepancies. During the conflict we are told that "German submarine commanders are brutal and barbarous"; afterward Admiral Sims informs us they were most humane. During the war our famous war correspondents, such as Sir Philip Gibbs, tell us fairy tales; afterward they write books showing how far we were misled—"Now It Can Be Told." The convictions rigidly held by mankind regarding the cause of each war are rather humorous if they are looked at impartially. Even the mind of a fool can see that if the German people feel that the French were primarily responsible for the war, and the French are certain that it is all the result of a damnable conspiracy on the part of the Germans, both cannot be entirely right.

It was so much easier in the early days of primitive society. Then men were quite naïve and frank to admit exactly why they were fighting. It seems probable that conflict first arose from a desire to insure a food supply for a growing community. Armies proclaimed openly that they were fighting for land, goods, wealth, women, and the spoils of war—nay, they even gloried in it. As society has advanced,

mankind has fought for favorable markets. Professor E. R. A. Seligman of Columbia says: "The great wars of the seventeenth and eighteenth centuries, fought in order to control the sea and to expand the colonial empire, all had in view the development of nascent industry on capitalist lines." But long before we had reached this stage of evolution Christianity had taught men they should not kill, and certainly that they should never take advantage of their neighbor through killing. Hence mankind began to idealize and glorify their aims and aspirations in each armed conflict. It is quite possible that in the twentieth century the real reasons for war are masked under clever rationalizations. Thus we may say we are "fighting the war to end war" or to "make the world safe for democracy"; but when all is said and done, can we be sure of it? It seems probable that the rulers of all countries in a war period create fictions to justify their cause before the people. They may even fool themselves into temporary belief in their idealizations. Now it is obvious that there is no one cause for war. As our social scientists have already so clearly demonstrated, there is a biology of war, as well as geographic, psychological, and cultural factors. Nevertheless, they admit the overwhelming importance of the economic factor, and one of them has well said: "Man's instinct for war is no greater than his instinct for peace; and were it possible to eliminate all of the economic and other external causes of war, war itself could then probably be eliminated." The rub comes in knowing how to eradicate these.

Before we can hope to unravel the causes of international strife we must understand and appraise the major conflicts of peace. Nations today are largely governed by economic considerations. More and more economic imperialism is becoming a dominant factor. Take Great Britain, for instance. She controls one-fourth of the

earth's surface and about one-fifth of the world population. From this huge population she gets her raw materials, manufactures them into finished products, then sends them back for sale to the very places from which the raw products first came. Wheat comes from Canada, leather and diamonds from South Africa, wool and beef from Australia, and cotton from India. It is to England's interest to see that the chief sources of raw material remain in her own hands. She now controls a monopoly on the sources of raw rubber, and it is generally known that the entire war-bill which Great Britain owes the United States will be paid for by an increase in the price of rubber. At the outbreak of the World War Great Britain had invested about \$19,000,000,000 in her various colonies and dependencies throughout the world. Because of these investments Great Britain can live. But they also necessitate "economic imperialism" to make them profitable. The result has been ably described by an English publicist, Leonard Wolfe: "We are forced to the conclusion that European policy has led to the subjection and economic exploitation of the African and to subjection, anarchy and economic exploitation in China." When business has once become established in a foreign country, naturally the flag must follow the investor. If Mexico interferes with American business interests, our flag is threatened and warships are hurriedly dispatched. If Santo Domingo fails to pay interest on her debt, we must take possession of that country. Not long ago the following advertisement appeared in a New York paper:

FORTUNE IN SUGAR—The price of labor in practically all the cane sugar-growing countries has gone steadily up for years, except in Haiti, where the costs are lowest in the world. Haiti now is under United States control. The Haitian-American Corporation owns railroads, wharfs, light and power plants, and is building sugar mills of the most modern design. There is assured income in the public utilities and large profits in the sugar business. We recommend the purchase of the stock of this corporation. Proceedings are being taken to list this stock on the New York Stock Exchange. Interesting story, "Sugar in Haiti," mailed on request.

It was just because Haiti was "under

United States control" that this investment was so profitable and so safe.

Whenever one nation thinks it is superior to another, friction is bound to result. After the World War, when the British were in command of Archangel, Russia, their officers rode free on the street cars. Sometimes they would use a native horse and carriage, ride from place to place, then refuse to pay the driver at all and send him away with profanity for his sole compensation. Hence it might be said that investors are sometimes our modern war-makers. They go into a foreign land, help to develop it, and build up industry. In the process they may run roughshod over the natives, often exploiting them cruelly. This creates friction and hatreds, which rankle and fester until, if they are not removed, they ultimately necessitate a major operation—war. The Chinese Opium War is a crowning example of this policy. The Chinese wanted to stop the importation of opium. The result was a conflict with Great Britain.

Side by side with the world-wide missionary and Christian Endeavor movement has gone the modern industrial competitive system, with its race for world markets. The result is that foreign people are often deceived as to which is which. At Oberlin College there is a beautiful memorial arch dedicated to the missionaries who were killed by the Boxers. Above it is the inscription: "Ye are my witnesses." No one would detract from the heroic and Christ-like spirit which these missionaries showed, but in a sense they were the victims of the economic greed of the great powers. Says Professor Fullerton of the Oberlin Theological Seminary:

A more sinister meaning lurks in their massacre than the ignorance and cruelty of the Boxers. In 1895 the Treaty of Shimonoseki ended the China-Japanese War. On the part of Japan it was largely waged to prevent China from being partitioned by the West. But the ink had hardly been dry on the treaty when Russia induced France and Germany to join her in forbidding the carrying out of one of its main stipulations, i. e., China's cession of the Liao-tung Peninsula to Japan. This was the signal for one of the most disgraceful scrambles of the European nations to partition China which had ever marked the relationship between East and West. It lasted for five years, till 1900, when the Boxers,

who had organized in 1895, broke out into open protest against these foreign aggressions. They were the "one-hundred-per-centers" of their day. Their slogan was: "China for the Chinese." One of their proclamations reads as follows:

"Foreign devils have come with their doctrine of Christianity. Converts to their own Catholic and Protestant faiths have become numerous. Their churches are devoid of human principles and full of cunning. They have attracted the greedy and avaricious as converts to an unlimited degree. They practice oppression and corruption. * * * Telegraphs and railways have been established; foreign cannon and rifles manufactured. Railways and electric lights the foreign devils delight in. The foreigners shall be exterminated, their houses and temples burned * * * for the purpose of heaven is determined. The wicked cannot escape the net of destruction."

ORIGINS OF NATIONAL HATRED

It is not only the conflict set up within the nation itself by the processes of economic exploitation that is so disastrous. It is also the fact that if one nation obtains a rich harvest from a backward country it is sure to arouse jealousy on the part of some other powerful empire. Hence, we have economic rivalry between the great powers. Before the World War Germany felt for a long time that she was not getting her fair share of raw materials from foreign countries. The Kaiser then stated: "Germany demands a place in the sun," to signify that Germany demanded her share of the profits from economic imperialism. The result is that this process of economic interpenetration on the part of the powerful nations within the weaker brings on a conflict of flag versus flag. It is quite conceivable that this may be the real cause of the dislike between countries, which is usually thought to be traditional hatred. Certainly we know that at one time England was the enemy of France and all French and English boys were taught to hate each other. At another time this hatred was transferred to Germany.

As far as our own country is concerned, consider the case of Japanese-American relations. Having lived for years in Japan as a boy I can testify to the fact that there was no country in the world which was more revered by the Japanese people. It was also true that America had a very friendly feeling toward Japan. Admiral

Perry was the first to break down the age-long barrier to friendly intercourse with the rest of the world. Americans were proud of the tremendous advance the little island empire was able to make in the brief span of fifty years. Yet today Rear Admiral Fiske predicts that a war between America and Japan is almost inevitable because, forsooth, there is an economic rivalry between us. The hostility between Americans and Japanese has reached such a pass that there is a marked hostility between the two races on the Pacific Coast, and our Senate suddenly ends "the Gentlemen's Agreement" and prohibits all immigration from Japan.

It is obvious that no one today would fight except for a cause he deemed worthy. America would hesitate to throw away thousands of lives in Mexico or anywhere else merely because one American had been insulted. A slight to the flag or to an individual would be merely the match which set off the conflagration, but the underlying motives are quite likely to be very much more powerful. These underlying causes of war tend to be economic today because our whole civilization is an economic order. (The greatest part of international relationships is the exchange of economic goods. All trade is quite likely to cause friction, particularly if one nation has access to the sources of raw material which are denied to another.)

FOUR GREAT COMPETITORS

We have today four great competing nations: the British, French, Japanese and American. If these peoples are ever brought into conflict, it is probable that it will be because of some economic difficulty. Professor Carleton J. Hayes of Columbia University has well said: "Any one who is at all familiar with the arenas of friction in Egypt, in China, in Siam, in the Sudan, in Morocco, in Persia, in the Ottoman Empire and in the Balkans would be in possession of a valuable clue to a significant cause of every war of the twentieth century, particularly to the chief cause of the Great War." But, as he goes on to say, these arenas of friction are due to economic causes. A former French Premier has stated that foreign diplomacy today is oil diplomacy. It is certainly true

that the leading countries are competing with each other for control of the oil supplies of the world, and the various Governments concerned are supporting their business interests diplomatically, financially, and even with threats of military action.

Since at the present time the world is almost all partitioned into spheres of influence between the great powers, it is all the more likely that we shall have trouble in the future unless we are able to establish some association of the nations which will equitably settle questions involving a distribution of the essential raw materials which we all need. Every citizen must face the question of how far we are justified in declaring war to protect business interests. During the past few years the American public, for instance, learned something of the methods of certain oil interests in the United States which apparently involved political corruption, price control, rifling of public reserves, and even attempted bribery of a Cabinet official. How can we know that these same methods

are not being used in foreign countries? If as a result American property interests are damaged abroad, should they have the protection of the United States Navy? Furthermore, it is only fair to ask ourselves whether by using military force against a small foreign Government we are not punishing all their people because of the questionable practices of a few.

The major problem for the public statesmen of the next generation to solve is, how can we always uncover the real causes of international trouble before they involve us in war? If we can publish to all the people the underlying economic motivations back of the conflict, it is much less likely that we shall ever stampede ourselves into taking the desperate step of modern warfare. It seems probable that the only hope of accomplishing anything approximating this fact-finding and publicity-making agency would be an international court with power, or an association of the nations of the world, or both.

Planning New Horrors in Warfare

Support for cause: P.S.

By CLIFFORD ALBION TINKER

Formerly an officer in the United States Naval Reserve Flying Corps, attached to the Bureau of Aeronautics

ONE bright, clear day in the mid-summer of 1918, when the rush of troops from our shores to the western front was going on in rapidly increasing volume, several seaplanes from one of our own naval air stations on the French coast put to sea as part of a patrol force engaged in defense against submarine attack on our overcrowded troopships.

Perhaps forty miles from land the observer of the leading seaplane sighted a fishing boat with jib and mainsail down, apparently abandoned, drifting to the southward into the broad reaches of the Bay of Biscay. Circling low over the boat, it was discovered that the crew were still on board, but were huddled up amidships, motionless. The seaplane landed on

the surface to windward of the drifting sloop and then taxied around to leeward in order to come close aboard to investigate the strange appearance of the crew. Fifty feet from the fisherman the plane was stopped. An overpowering stench came from the boat. The observer climbed out of his cockpit and peered into the sloop. He was sickened by what he saw. Five old fishermen, from 60 to 80 years of age, had been used as a collective machine-gun target by a submarine. The boat's hull above the waterline was riddled with bullet holes; the old men had been shot to ribbons. Loud and long were the bitter imprecations the flying sailors hurled against inhuman submarine commanders. To think that these old men, who came from peaceful re-

tirement to face the natural perils of a particularly treacherous, gale-exposed fishing ground in order that the families of women and children left to their care by menfolk engaged in fighting the most terribly cruel and efficient of all foes might have food, should be used as mere targets by other so-called human beings was too gruesome, too cruel by far to be understood by our airmen, too far beyond the pale of civilized standards of the sea to be forgiven or forgotten.

Yet here was a figurative case of the pot calling the kettle black. For the ruthless inhumanity attending the submarine warfare of 1914-1918, when non-combatant neutral ships were sunk with all their crews "without trace"; when hospital ships were sent to the bottom with their cargoes of maimed and helpless; when old men in fishing boats served as targets for submarine gunners, never began to approach in studied frightfulness, wholesale slaughter or barbarous mangling of non-combatants—men, women and children—that which can be charged to aviation and which can be listed as the sickening toll of aerial bombing. Despite the chivalry of individual fighting airmen, the generosity to the fallen foe after aerial gladiatorial combat, the sum total of the matter is that the extreme mobility and astounding speed of aircraft, together with their ability to overcome the heretofore inherent limitations of the third dimension, became the temptation of temptations to those cold-blooded staff officers who saw in the destruction of morale and the terrorization of whole populations the very marrow of strategy and essence of victory. "Mastery of the air will win the war!" became the cry of the Allies and their foes alike. Gas warfare, twin-sister of aerial bombing used along the front, was to be carried by plane the length and breadth of Europe; the armistice came just in time to forestall this horror. Nevertheless the employment of aircraft in the wholesale murder of non-combatants, hundreds of miles from the scenes of troop combat, during the World War is now an antiquated joke in comparison with the heartrending schemes being planned and placed under experimentation for the aerial bombing, gassing, germ inoculation and liquid-fire devasta-

tion of areas behind the battle lines in future wars.

These bombing and gassing objectives, it is claimed, are to include cities, towns, individual homes, industrial centres, railroad centres, land under crops, hospitals, water works, sanitary works, mines, docks, food manufactories, and so on; indeed, the smashing of morale, the utter wiping out of the necessities of life, and the rise and spread of famine and pestilence among an enemy people are to be counted as prime factors in the future successful prosecution of the nice business called war. How successfully these terrifying schemes can be put into operation depends on so many conditions that we cannot consider them in full, but common consent among military and naval authorities points to the probable efficacy of chemical warfare, aerial warfare, and submarine warfare to the extent that they will in future wars modify to a great degree the current accepted rules of strategy and tactics, and, moreover, revise the rights of belligerents and upset methods and customs embodied in international law which have been made part and parcel of so-called civilized warfare through centuries of strife. It would seem that chemical warfare, air power, and the unrestricted use of submarines in war, cooperating, ignore certain age-old ideas behind the uses of armies and navies, the rights of non-combatants, and strike sudden and deadly blows, without warning, in areas far afield from the actual or, at first thought, logical and contemplated combatant fronts on land and sea. Thus we have in these modern agencies of warfare, personified, a hideous triumvirate capable of unrestricted and semi-secret use against the powerless and innocent; semi-secret in the sense that they may be employed unheralded and unknown to the main fleets and the armies in the field.

Are such ghastly agencies legitimate weapons in modern war? Have the nations signatory to the international rules of warfare any right whatsoever to employ air power, chemical warfare, germ warfare and submarine warfare to the full scope of their military and naval usefulness as all-embracing scourges? Have helpless men, women and children no rights, no immunity from attack while com-

batants in the field and on the sea fight out the issues of a war? The answers must be pessimistic, particularly while military and naval leaders place the value of moral effect as twenty to one against any other major factor in the conduct of modern warfare.

At the beginning of the World War the submarine had been about fifteen years on the road to development, had been used in the Russo-Japanese War, and was an accepted weapon of known naval value. The use of aircraft in war had been limited to a very few in the Balkans and the Near East, but they may be said to have had their real military and naval birth in August, 1914. On the other hand, the use of poison gas or suffocating smoke in battle dates back through the ages. Such warfare was merely revived during the World War, but with an efficiency which bespeaks the tremendous latter-day advance in the science of chemistry. Gas warfare was first used, history being correct, as far back as the fifth century, B. C., by the employment of burning sulphur to assist in the siege of the cities of Platea and Belium during the war between the Spartans and the Athenians. Other historical records show that the use of smokes, gases and toxic "winds" were recurrent through ancient and medieval times. At sea, quick-lime was spread to windward of ships in a naval battle with the idea that it would blow down the wind, envelop the enemy ships and put their crews out of action. As late as 1855 a British naval officer, Admiral Lord Dundonald, proposed the reduction of Sebastopol during the Crimean War by the use of sulphur fumes. This scheme was rejected by the British Government with the statement that "the effects were so horrible that no honorable combatant could use the means required to produce them."

THE 1899 BAN ON GAS WARFARE

Apparently this humanitarian statement on the part of the British had its foundation on something more tangible than mere "up stage" diplomacy, for we find the Great Powers at The Hague in 1899 putting their official signatures to an agreement that "the contracting powers agree to ab-

stain from the use of projectiles, the sole object of which is the diffusion of asphyxiating or deleterious gases." Germany, Great Britain, France, Austria-Hungary, Italy, Russia, Japan, and unofficially and morally, the United States, entered into this bargain. To carry the thing to its logical conclusion, these same powers, in 1907, again at The Hague, entered into a contract forbidding the high contracting parties "to employ poison or poisonous arms." It is interesting here to note that the Treaty of London, 1839, signed by most of the powers above listed—Japan, Italy and the United States excepted—guaranteed for all time that Belgium should be an independent and perpetually neutral State, and that it "shall maintain its neutrality against all other States." Now the first and most obvious duty of a neutral State is to refuse to belligerent parties a right of passage through its territory. This fundamental principal of international law was again confirmed by all the powers at The Hague Conference of 1907.

Germany was not only a signatory to the Treaty of London, but she was also a signatory to the agreements of the Conference of 1907, notwithstanding the fact that the whole military policy of the German Empire was, and had been for more than thirty-five years, founded on the scheme of using Belgium and Switzerland, both neutral and friendly States, as flanking territory for the invasion of France and Italy and the seizure of the Channel ports. True to her war plans and staff deliberations, Germany invaded Belgium on her way to the Channel ports and across France to Paris. Away went the Treaty of London, and the Conference of 1907. Having "scrapped" her treaties, it was not much of an innovation, from her own point of view, for Germany to step over the humanitarian line and launch at Ypres, on April 22, 1915, a chlorine gas attack with effective and fatal results to the Allies, who, not expecting such an attack, were entirely uninstructed and unprepared for such an eventuality, nor were they in a position to take any retaliatory measures in kind. Thus chivalry died a second death, and gas warfare and other war horrors became the order of the day.



U. S. Army Signal Corps Photo

Example of gas attack during the World War. The whole atmosphere is saturated with all types of gas sent over the area by means of shells and bombs loaded with chemicals

It was perforce necessary for the Allies to engage in gas warfare, and to evolve measures for combating it and rendering it innocuous to troops. Consequently gas attacks became one of the commonest forms of war on both sides. New developments went on to such an extent that, during the year 1918, from 20 to 30 per cent. of all American battle casualties were due to gas; indeed, it became one of the most powerful implements of war. Along with gas warfare, Germany started out to raid cities and non-combatant centres by means of aircraft releasing various types of bombs, and she put into effect the treacherous blight of unrestricted submarine warfare. It has been claimed that she also turned to gerin warfare, polluting wells, and introducing the germs of tuberculosis and typhus among her prisoner victims. It is hard to believe this last, even against the "scrapper of treaties." Suffice to say that the whole subject of warfare was thrown into the caldron of hate and retaliation in a measure unknown even to the history of the Dark Ages, those days when massacre and pillage seemed a sure-enough virtue.

Since the World War humane sentiments have again found place in the treaty and

arms conventions held at various capitals throughout the world. In Washington, during the Naval Arms Reduction Conference, the great powers agreed, on Feb. 6, 1922, that

The use of asphyxiating, poisonous or other gases and all analogous liquids, materials and devices having been justly condemned by the general opinion of the civilized world and a prohibition of such use having been declared in treaties to which a majority of the civilized powers are parties:

Now to the end that this prohibition shall be universally accepted as a part of international law binding alike the conscience and practice of nations, the signatory powers declare their assent to such prohibition, agree to be bound thereby between themselves and invite all other civilized nations to adhere thereto.

The United States, Great Britain, France, Italy and Japan signed this agreement. It may be possible that these powers can revive the shreds of international law scattered to the four winds during the World War. A glimmer of hope lies in the fact that eighteen nations, including the United States and Germany, signed an agreement June 17, 1925, at Geneva, under the auspices of the League of Nations, to restrict arms traffic among the nations; while

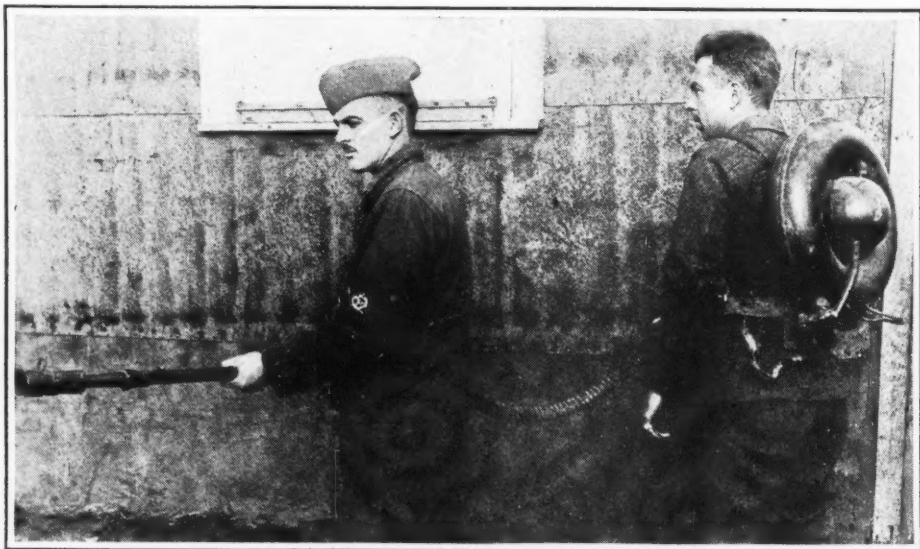
twenty-seven nations, due to the insistence of the United States, signed an agreement at the same conference to abolish the use of bacteria and poison gas in war. This is a hopeful sign of the trend of international thought concerning humanitarian principles in warfare, but just as a chain is no stronger than its weakest link, such an agreement, to have lasting value, must have universal adhesion. Nations that fail to sign, force the others to take precautions against them. This makes the whole agreement a matter of suspicion, distrust and studied evasion.

At Washington no limitations were placed upon aircraft, but unrestricted submarine warfare came in for wholesale condemnation. Under the Washington agreements a merchant vessel shall not be attacked unless it refuses to submit to search after warning, or fails to proceed as directed after seizure, but a merchant ship may not be destroyed under any circumstances unless the crew and passengers have first been placed in safety. Belligerent submarines must conform to these rules, and if they cannot they must let the merchant vessel strictly alone. Submarine crews guilty of violation of these rules are to be considered as pirates, and may be brought to trial before the military or civil authorities of any power within the juris-

diction of which they may be found. The signatory powers stated in the treaty that they

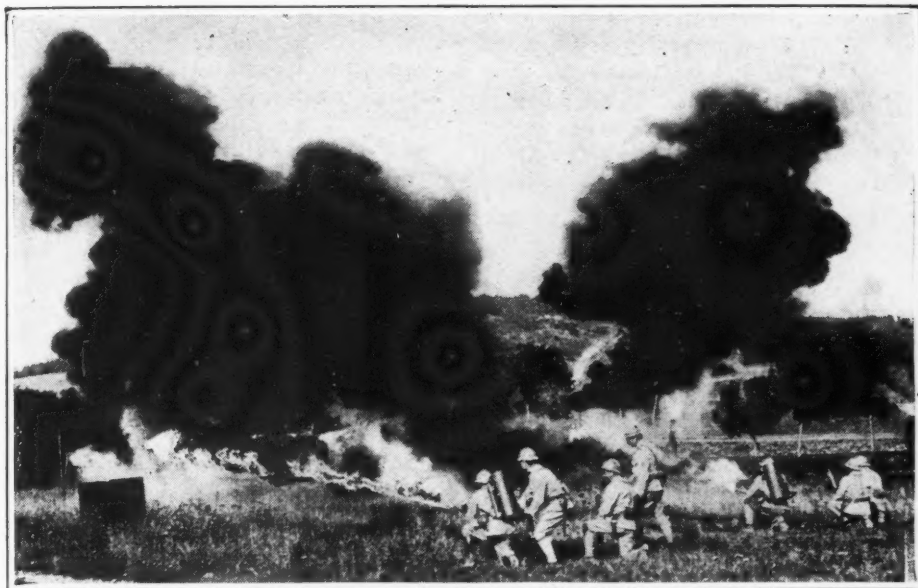
recognize the practical impossibility of using submarines as commerce destroyers without violating, as they were violated in the recent war of 1914-1918, the requirements universally accepted by civilized nations for the protection of the lives of neutrals and non-combatants, and to the end that the prohibition of the use of submarines as commerce destroyers shall be universally accepted as a part of the law of nations they now accept that prohibition as henceforth binding between themselves and they invite all other nations to adhere thereto.

Are all these treaties for the outlawing of poison gas, germs, and unrestricted submarine warfare to be universally observed? It is a tough question. Decidedly so, when we see the nations signatory to the treaties in question redoubling their efforts to compound war gases which shall make masks of no avail, and shells to diffuse the gases at all gun-ranges. Moreover, germ study for war uses is going on night and day, and submarines are being turned out in large numbers. What does this mean? What is the ultimate fate of all these treaties and agreements to be in the face of these harrowing facts? Are treaties to be forever mere scraps of paper? Is there justification for these



U. S. Army Signal Corps Photo

Captured liquid flame thrower used by the Germans during the World War



U. S. Army Signal Corps Photo

French troops giving a demonstration of the use of liquid fire

hideous activities, or are the nations of the world just plain hypocrites?

It would appear that the fundamentals of life, the first laws of Nature, are on trial in this matter. Men will fight for bread, for their loved ones, for life. Yea, even wild beasts will do the same. Living organisms, whether endowed with reasoning capacities or merely actuated by instinct, will fight to the death for their offspring or their kind; reasoning animals will fight to the death to maintain their real or fancied inalienable rights. As a corollary, no Government has the moral or any other species of right to deny its nationals any agency whatsoever which may be employed in warfare for the protection of their homes and loved ones. Nor may a Government give up without resort to extreme war measures its country's ideals of political thought or its entity among the nations of the earth, which ideals and entity may have been bought through sacrifice and toil unutterable.

HORRORS OF FUTURE WARS

Thus it is that nations mobilizing for war will in the future bring their entire resources to the task of defense. This means that poison gas, aviation, unrestricted sub-

marine warfare, and even germ warfare will be used as a last resort. Hence all treaties limiting or prohibiting such agencies of warfare will someday be in effect "scraps of paper"; to think otherwise is flying in the face of certainty. For any nation to ignore these truths is nothing less than madness. Security is the first and last word on a real statesman's lips, and always will be, for this is the great and fundamental word on which is built the word-structure of all cogent treaties, and for which there can be no substitute. Alliances and groupings of powers bring into action in case of war, not two opposed nations, but array in conflict such numbers of powers and peoples that even civilization itself is in the balance.

For this reason, the Treaty of Mutual Assistance, part and parcel of the various treaties and agreements bolstering up the League of Nations, aiming to provide security for those small nations unable to mobilize sufficient natural resources and armed strength to maintain their national life or independence when attacked by a superior power, in the last analysis, makes for more terrible war, and more far-reaching strife than almost any other treaty in existence.

The remedy for this situation, arbitration, may some day be recognized and employed to remove the menace of wars. Justice allied with might, in the interval, must be the reliance of the smaller States. The powerful nations being actuated by justice, and supplied with might to make justice potent, can alone protect the weakling States. If international justice is lacking, so much the worse for small nations. If this is enthroning pessimism, make the most of it. There is nothing in history, past or present, that points to the belief that international justice, universal in its scope, is at hand or even discernible on the horizon of the possibilities. Yet to say that all these treaties against the employment of inhuman phases of warfare are not contributory to the advent of universal peace, would be just as untrue as to say that they have already brought about such a desirable state of international affairs. They are a means to an end, that end being easily understood when past history, no longer past than that of the World War, is considered. Germany, by violating her treaties and all the canons of international law, brought down upon herself and her allies the condemnation of the world; our own participation in the war resulting from the employment of unrestricted U-boat warfare.

With Germany's fate before them, it will be a timorous group of statesmen that will undertake to set the world by the ears through the betrayal of their agreements under international law. Reprisals in kind cannot but be a deciding factor in the resort to unwholesome methods. Let such treaties multiply; they are sorely needed. But to call those nations hypocrites which, in spite of being signatory to these treaties, continue to develop means for carrying on the proscribed methods of warfare, is unsound and unjust. Notwithstanding

reprisals, it is still in the power of unscrupulous nations to violate their agreements, and there are large and populous nations which are not parties to the agreements. Thus the use of poison gas, germs, and the other outlawed combatant methods, does not wholly depend on the signatory powers. These powers may be forced to use gas, and the other cruel factors in outlawry, in self defense. Further, the use of high-explosive shells in the ordinary employment of artillery, may produce gases having the same effect on men as the special gases used in bona fide gas attacks. This being the case, there will always be a doubt after a battle whether gas was actually used or whether the casualties were caused merely by high-explosive detonation. The uncertainty under these conditions may cause deliberate use of gas on the grounds of retaliation. Germany made some such claim after she had used the fateful gas at Ypres.

We have now considered some of the fundamental and inherently necessary reasons why the United States and the other nations party to the treaties under discussion continue to carry on research in chemical warfare materials and also continue the manufacture of equipment for protection against those materials. For the same reasons we continue to study and develop any and every means to safeguard our homes and firesides, and to hold inviolate our shores and boundaries. If our Government did not continue in these endeavors, to the extent that we may take advantage of our pre-eminent skill, ingenuity, enterprise and abundant natural resources, when needed, it would indeed be hypocritical, not only to its own nationals, but to those lesser nations who look to this country for that measure of protection and international justice which the world at large is unable, if willing, to grant.



The World Union of Intellectual Forces

By CHARLES HODGES

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THOUGH this be the age of money changers, merchants and captains of industry, it rests upon the international organization of modern knowledge. The world we live in today represents the mobilization of the brain power of the nations for truly international progress. This service of civilization by the men of learning everywhere is the foundation of the practical arts on which Western civilization rests its supremacy. The building of this modern world has been nothing more nor less than the social capitalization of applied knowledge—the research that leads most often from the laboratory to modern technology, with its blast furnaces, its reports and its whirl of machines. This application of the handiwork of genius immediately conjures up the magic names of Watt and the harnessing of steam, producing ultimately the horsepower civilization of our age; Stephenson and the railroad, binding the destiny of continents and peoples in the iron of its right of way; Fulton and the steamboat, spanning oceanic wastes according to the dictates of man alone; Whitney and the cotton gin, bringing the raw material of cheap textiles to the mill door; Morse and his telegraph, Bell and the telephone, Marconi and wireless, each successively spanning space with a new economy of effort.

The modern interchange of the arts and sciences, however, has created new problems—the problems of coordination, co-operation and control. “Two centuries ago,” observes the astronomer, George Ellery Hale, an American member of the International Research Council, “the Royal Society of London and the Paris Academy of Sciences could easily embrace the whole range of science, and include in their membership essentially all of the able investigators of England and France. The establishment of the Linnean Society in 1788 marked the beginning of a dispersive movement that has continued ever since.” While

the fields of learning divided and again were subdivided, the lot of the scholar became more and more difficult. The very diffusion of knowledge built up a cosmopolitan intellectual capital. Under these worldwide developments, the work of a European savant exploring a chosen problem, might rest upon the foundations of some thinker in America, with a research technique perhaps perfected by an “occidentalized” Oriental in the laboratories of the awakened East.

These realms of knowledge transcended all national frontiers. They rested upon the frequent communication made possible by the technical progress of the nineteenth century. The exportation of the printed page went into the outermost corners of the world of learning; the labors of unknown collaborators were laid on the tables of intellectual workers in the form of the unpopular review, the highly specialized report, the scientific book; and the visits of co-workers become more and more frequent.

Ultimately there developed a veritable passion for international conferences covering the whole range of knowledge. Between 1840 and the outbreak of the World War, over five hundred international associations were formed. Some three hundred annual meetings in the fields of art, education and science marked the intellectual activities of the period. Well over a hundred permanent organizations were developed, covering almost every phase of the arts and sciences. But these intellectual activities, especially international organizations dealing with scientific problems, became so numerous and represented such a minute division of the broader fields that it became almost impossible for a savant to attend all important meetings. If anything, there were far too many organizations. For instance, as one American astronomer points out, independent bodies in his field were established for the distribu-

tion of astronomical telegrams, through a bureau established in Kiel in 1882; the international charting of the heavens for solar observation, with headquarters at Oxford, in 1887; the investigation of solar radiation, the seat of the commission being Zurich, in 1896; minor planets and other highly specialized matters.

VAST MASSES OF MATERIAL.

Moreover, the accumulation of vast repositories of material began to confront the scientific world. For example, in the field of medicine, according to the Rockefeller Foundation, there are now some 1,500 reviews publishing about 100,000 articles a year; the *Index Medicus* in its 1,000 pages lists 40,000 monographs a year; and since 1880 the bibliography of one of our American Government offices—that of the Surgeon General—has catalogued 1,400,000 articles and 330,000 books. If the man of science was not to be inundated by the flood of research, assistance became imperative. Only in the International Association of Academies were there to be found the beginnings of a world clearing house. But before the World War it lacked headquarters, funds, contact with the larger number of scientific organizations, continuous activity and full representation of nationalities.

The World War itself, we must remember, was marked by the breakdown of world unity in physical, political and intellectual terms. At the climax of the struggle the Royal Society in Great Britain sponsored an Interallied Conference of International Scientific Organizations. When it opened in London in October, 1918, it emphasized the disruption of a world conflict, for the bitterness against the central powers manifested itself in the decision to withdraw from most of the pre-war international organizations; form new associations with the cooperation of neutral nations; or continue some of the old associations under reorganization. The American delegates to this London conference here proposed an International Research Council; and at a second conference held in Paris the end of November, 1918, such a council was established in a tentative form. This body and several related organizations were in operation by the Sum-

mer of 1919, while preparations were being made for over half a dozen affiliated groups. At about the same time a new International Union of Academies was launched to cover the humanistic side of learning in contrast to this much earlier development of the sciences. Brussels became the centre of both great bodies, each with its permanent secretariat, budget and fixed meetings.

We have been hearing much about the League of Nations in its bearing upon the political world of States, on the business of nations, on the humanitarian interests of peoples, but little has been said as to the intellectual phases of this gigantic undertaking in neighborly good offices. Undoubtedly they stand out as the most extensive effort of humanity to organize, stabilize and extend the pursuit of knowledge in both theory and practice.

The world's principal intellectual clearing house has developed out of the League of Nations. The first assembly of the League initiated the work in December, 1920. Subsequently the report of Léon Bourgeois, considered at the annual meeting in the Fall of 1921, revealed the attitude taken by the League. It was "to avoid interfering with the way each country expresses its own national genius, and, instead, to afford each the opportunity of developing vigorously and abundantly by drawing freely upon the common fund of knowledge, methods and discoveries." Representative of the best in modern civilization from the standpoint of the arts and sciences, there was established the Committee on Intellectual Cooperation. The twelve members constituting the committee have always included an American representative, and the services of half a dozen other experts from the United States have been drawn on for special tasks.

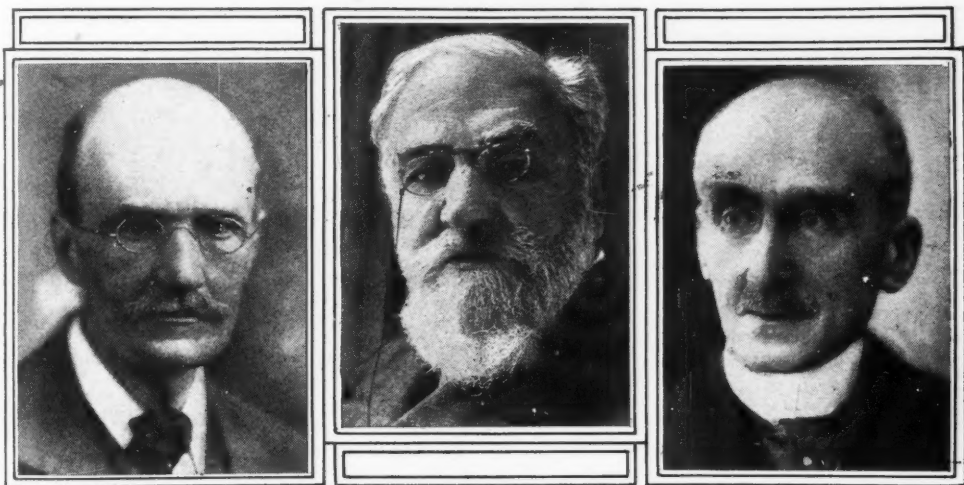
Beginning work in Geneva in 1922, the committee established five lines of activities. A general inquiry was launched, in the first place, to cover the whole field; second, the international emergency of the jeopardized intellectual life in the nations most directly feeling the disaster of the war demanded immediate cooperation; third, the vital problem of the protection of intellectual property was attacked; fourth, relationships between the univer-

sities of the earth were investigated with the object of seeking fuller mutual academic contacts; and fifth, the development of really international bibliographical facilities was launched. But the work suffered from skepticism as to the possibilities of these plans, from lack of adequate financial support, and from certain nationalistic undercurrents.

COMMITTEES FOR INTELLECTUAL CO-OPERATION

In the furtherance of the plan of the Committee on Intellectual Cooperation, the

tee on Intellectual Cooperation a centre to be known as the International Institute of Intellectual Cooperation. The French proposition, made in the middle of 1924, was debated in the Council and at the fifth assembly of the League of Nations. The principles of organization thus evolved were approved by the French Government. At the end of the year, the crystallized plan was submitted to the Council of the League; the latter finally accepted the statute and internal regulations of the proposed institute. It may be said that in League quarters there was a frank appre-



ADVOCATES OF INTERNATIONAL INTELLECTUAL COOPERATION

From left to right: Sir Gilbert Murray, Regius Professor of Greek, Oxford University; Léon Bourgeois, the first President of the League of Nations, and Henri Bergson, the French philosopher

establishment of national committees for intellectual cooperation was encouraged. Here the purpose is to provide intermediaries linking the various national organizations to the League committee itself. As a result, contacts now exist, intellectually speaking, between Austria, Belgium, Brazil, the British Empire, Bulgaria, Czechoslovakia, Chile, Denmark, Estonia, Finland, France, Greece, Hungary, Italy, Yugoslavia, Lithuania, the Netherlands, Norway, Panama, Poland, Rumania, Salvador, South Africa, Spain, Switzerland and the United States.

In the meantime, France, ever alive to the position French culture occupies in European civilization, offered the Commit-

tee the new institution would be dominated by France. Thus the International Institute of Intellectual Cooperation was established as an autonomous foundation, though having its headquarters in Paris. Moreover, it has been given a legal personality under French law. Finally, it is administered by a board comprising the members of the Committee on Intellectual Cooperation. Though the doors of the institute have only just opened this year, the League of Nations' Committee itself—sitting as the governing body at Geneva in July, 1925—formally adopted the statute for the institute, its internal regulations, budget, and set up the working organization. The institute has been divided into

six sections. These are general affairs, university relations, bibliography and scientific relations, arts and letters, legal questions and information.

The new project enjoys an annual subsidy from the French Government of 2,000,000 French francs. Included in this subvention are the headquarters of the institute, the French having placed it in the historic Palais Royal. Poland, likewise, has made a more modest grant.

The function of the institute, from the standpoint of its relation to the League of Nations, is stated succinctly in the second article of the internal regulations: "The institute is put at the disposition of the League of Nations for the Committee on Intellectual Cooperation, of which it will be the working organization." There is nothing here in any way displacing existing international organizations working for the closer coordination, private assistance and betterment of intellectual life. The Federation of International Associations as the great private clearing house of cooperation continues; the International Academic Union remains the post-war federation of learned societies; the International Research Council goes on with its program of scientific collaboration, and so on down the list of non-governmental agencies.

It is of vast significance to the world's future that we now have the Committee on Intellectual Cooperation and the newly founded Institute of Intellectual Cooperation as the direct outcome of the League of Nations. These activities sponsored by Geneva mark the final evolution of the machinery destined to work out the conservation of intellectual talents and interests on a truly world scale. They are, it must be admitted, thoroughly practical. Remark that the committee has withstood

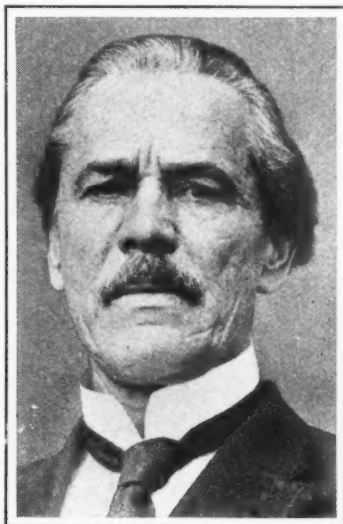
the temptation to set itself up as a kind of supernational intelligence. M. Bergson, the French philosopher, then Chairman, observed it has also "always aimed at practical objectives in the interests of intellectual work and workers."

We well may accept the statement that with the closer organization of international society, the conservation of intellec-

tual activity—for that is what it means—goes to the roots of world life. It makes possible the best teamwork of the minds of the modern nations. It brings ever closer the stimulating interchange of knowledge. It promises to bridge the gap between the thinker and the use of his handiwork, putting the resources of the whole intellectual world within his reach. For instance, the Committee on Intellectual Cooperation has turned to the protection of scientific property. This raises the question of the right of the scientist to his invention, for, at the present moment, no such right is recognized by legislation. Yet there is good ground for hold-

ing that scientific discovery ought to have the same sort of legal protection as artistic creation secures through international action dealing with copyrights or as technical invention enjoys by virtue of patents.

Perhaps even more arresting is the proposal of the French academician, Paul Valéry, who has himself served on the Committee on Intellectual Cooperation, suggesting the establishment of an exchange for "transmissible literary values." All intellectual cooperation between nations with different languages, as he points out, rests essentially on making known the outstanding works of such diverse nations. As things are today, the translation of even significant literary products is haphazard; the returns of the authors are apt to be negligible. More than that, what may be called "neglected values" would be brought



ALES HRDLICKA

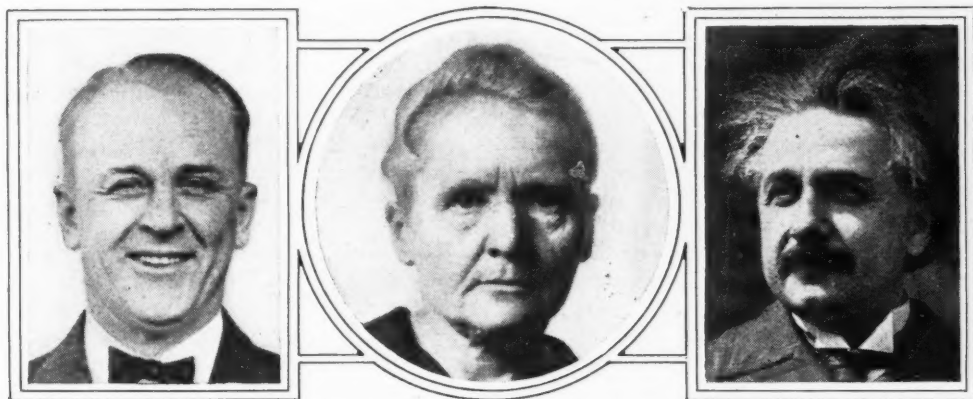
Curator of the United States National Museum of Anthropology, who has been awarded the Huxley Medal by the Royal Anthropological Institute of England

out from obscurity. For instance, a nation produces genius and then ignores the handiwork of the superior man; yet when it has been translated and honored abroad it suddenly achieves appreciation denied a prophet in his own land.

Behind the immediate advantages to the brain workers of the world of the conservation of their activities in the interests of international progress, there is a larger meaning to all mankind. It has been aptly remarked that to prepare for peace is the work of the intellect. We all realize that the hastening of the progress of learning

writers in all countries maintain close mutual contact and spread from one country to another the ideas which can insure peace among the peoples, and if the efforts already made in this direction receive encouragement."

The Committee on Intellectual Cooperation, appointed on Jan. 14, 1922, is composed as follows: Henri Bergson, Honorary Professor of Philosophy, Collège de France; Dr. Kristine Bonnevie, Professor of Zoology, University of Oslo; Sir J. Chandra Bose, President Emeritus of the Presidency College, Calcutta, India; A. de



SCIENTISTS COOPERATING FOR INTERNATIONAL UNITY

From left to right: Dr. Robert A. Millikan, the 1924 Nobel Prize winner in physics; Mme. Curie, discoverer of radium, and Albrecht Einstein, propounder of the theory of relativity

is destined to play no small part in the achievement of this better understanding among nations. All this drawing together of intellectual contacts must produce a more sympathetic insight into the problems and aspirations of our neighbors. Such activities, promising a closer accord in world relations at large, mean the ultimate extension of the spirit of mutual understanding beyond the standardbearers of learning. This is the true approach to friendship between nations; it leads us toward a universal conscience common to mankind. As that true friend of international peace, Professor Gilbert Murray of Oxford, told the second assembly of the League of Nations, the future of international society rests upon such a universal moral force: "This can only be created and developed if the scholars, thinkers and

Castro, Director of the Faculty of Medicine, University of Rio de Janeiro; Mme. Curie-Sklodowska, Professor of Physics, University of Paris; J. Destrée, former Minister of Sciences and Arts of Belgium; Albrecht Einstein, Professor of Physics, Berlin University; H. A. Lorentz, Professor of Theoretical Physics, University of Leyden, Holland; L. Lugones, Director of the National Library of the Professors of Buenos Aires; Robert Andrews Millikan, Director Norman Bridge Laboratory of Physics, Technological Institute of California; Sir Gilbert Murray, Professor of Greek, Oxford University; Gonzague de Reynold, Professor of French Literature, University of Bern; F. Ruffini, Professor of Ecclesiastical Law, University of Turin; L. de Torres Quevedo, Director Electromechanical Laboratory, Madrid.

The Anthracite Question: The Operators' Standpoint

By EDWARD W. PARKER

Secretary and Treasurer of the Anthracite Operators' Conference

PROFESSOR E. J. EBERLING, in the May issue of *CURRENT HISTORY*, in an article entitled "The Issues of the Anthracite Problem," makes statements which, in the interest of historical accuracy, should not be permitted to pass unchallenged. His statement that there is a current undersupply of anthracite is inaccurate. There has been no undersupply in the history of the industry, except when the strikes of 1902, 1922 and 1925-26 interrupted production. In the war years of 1917 and 1918, because of the failure of the bituminous mines, the coke ovens, and the railroads to meet the demands put upon them, extraordinary pressure was placed upon the anthracite collieries to fuel the furnaces of munition plants, and to meet this exigent situation, distribution of anthracite to its normal trade had to be somewhat restricted, but it was not a case of undersupply from the mines. The anthracite collieries responded to the extra demand by increasing their production from 78,000,000 gross tons in 1916 to nearly 89,000,000 tons in 1917 and to over 88,000,000 tons in 1918. With these exceptions there has not been a year in the present century that there has not been at some time of the year, usually in the Summer months, an accumulation of some of the domestic sizes in the storage yards of the producing companies. Professor Eberling says: "This situation raises the question as to why this undersupply has existed and also whether the producers, taking advantage of their natural monopoly, have extracted a steady monopoly profit." Does it? The question as to undersupply has already been answered.

In another portion of his article Professor Eberling says that in the period January to March, 1923, seven of the anthracite operating companies had a margin of \$1.07 per ton. Professor Eberling is

clearly disingenuous in making that statement. He should know that the strike of 1922 was effective in the organized bituminous fields as well as in the anthracite region, and that when mining operations were resumed, the anthracite producers, because of the scarcity of bituminous coal, were able to obtain exceptionally high prices for their steam sizes, which naturally meant that the total realization was unusually high. The prices of the domestic sizes were not advanced. Professor Eberling quotes liberally from the report of the United States Coal Commission, but he overlooked one important statement bearing on this question. On Page 51 of Part I of the commission's report we read: "Unquestionably these large producers might have obtained from the retailers of anthracite during the past Winter much higher prices. This commission desires to pay public tribute to the restraint and good judgment displayed by the responsible shippers of anthracite during that trying period." This followed a statement to the effect that in the prices of coal mined by the "railroad companies and certain independents, circular prices were adhered to at this time of acute shortage, just as in times of abundance." This reference to times of abundance, by the way, does not indicate a current undersupply. Moreover, the commission itself stated definitely that the margins shown in the last three months of 1922 and the first three months of 1923 were exceptional and should not be taken as representing actual conditions. Yet Professor Eberling's statement is so worded as to imply they represented normal margins.

Professor Eberling neglects to record that for a period of ten years covered by investigations of the Coal Commission and the Federal Trade Commission—including the three-months period quoted by him—

the average margin on the total anthracite production was 41 cents a ton, and that from this had to be deducted Federal taxes and interest on bonds or borrowed money, averaging 9 cents a ton, before net profits were available for the payment of dividends. The "book values" of the anthracite properties are stated by the Coal Commission to be approximately \$600,000,000, or a little over \$8.50 per ton of commercial output. The net profit per ton of 32 cents (41 cents margin less 9 cents for Federal taxes and interest) is less than 4 per cent. on the property values. The letter of the Secretary of the Treasury in response to the La Follette Senate Resolution (Senate Document No. 48, 69th Congress, 1st Session) states that out of 139 anthracite companies, 47 paid Federal income taxes on \$28,784,000 of profits and 92 made no profits or were actually "in the red." The total losses amounted to \$7,103,000, so that the total net profit to the industry as a whole was \$21,681,000, or about 30 cents a ton, a little less than the average for the preceding decade. Is this the "steady monopoly profit" to which Professor Eberling refers?

Since none of the many investigations of the anthracite industry in recent years has found it guilty of extortion or of failure in its service to the public, it might be considered as fairly faithful to its trust. Professor Eberling charges that "the coal lobby" defeated a bill providing for the appointment of a Federal Coal Commission, with compulsory powers of investigation into all the facts of the industry, which was introduced into the Senate by Senator Frelinghuysen of New Jersey in March, 1920. As Professor Eberling is discussing the anthracite industry, this must be assumed as a charge against it. The anthracite industry has never had a lobby in Washington. It has no office or headquarters in the capital city—never has had one except during the World War and that was maintained for the single purpose of looking after Government requirements. That it amply performed that service is attested by many letters from department officials. Anthracite operators have appeared before Senate and House Committees when invited to do so, and have expressed their objections to proposed legis-

lation which they considered ill-advised or as inimical to the industry they represented, as they had a perfect right to do, but that they have indulged in lobbying methods is false.

Professor Eberling is no less at fault when he discusses the earnings of the anthracite mine workers, though his shortcoming in this respect is partly due to the methods employed by the United States Coal Commission in presenting these data. The Coal Commission cannot be held responsible, however, for Professor Eberling's failure to include the 10 per cent. flat increase given to all anthracite workers by the Pinchot compromise of 1923, and his statements of present-day earnings are those preceding that incident. He states that the miners based their argument for a wage increase "*on (1) the fact (not the claim) that the present wage, averaging \$1,500 a year, is not sufficient for a satisfactory living.*" The fact is that the average yearly earnings for *all* anthracite mine workers, including common labor and boys, before the Pinchot increase, were approximately \$1,800 a year, and after that increase they were nearly \$2,000 a year. In making up its tables on earnings of mine workers, the statistical experts of the Coal Commission counted every man on the payrolls of the companies whose books they examined, and if one man were employed by one company for part of the year and by one or more other companies for the balance of the time, he appeared as that many different men. In the report of the commission, for instance, the total number of miners' laborers, in which class of employment labor turnover is particularly high, is two and a half times the number actually employed. The total number of men and boys employed in the anthracite mines is between 155,000 and 160,000. The peculiar methods adopted by the experts of the commission made it appear that the wage earners made up an army of 244,700, half as many again as the industry employs. Naturally, dividing the total payrolls by 25, 50 or 100 per cent. more men than are employed in the region, reduces materially the apparent earnings. So it is that the commission found that the average earnings of contract miners were in 1921 about \$1,922 (Professor Eberling says they *now*

average that (again not allowing for the Pinchot increase), whereas the commission's report also shows that all the contract and consideration miners who worked the opportunities offered them earned \$2,700 or more in 1921. These were *net* earnings after the costs of supplies chargeable to the miners had been deducted. They are not *gross* earnings as stated by Professor Eberling. The average number of working days in that year was 271, and the contract miners who worked that number of days earned not \$1,922, but \$2,700. Annual earnings should not be computed from short-time men nor from men appearing on two, three, or four or more payrolls.

The following statements of present-day earnings of anthracite contract miners are obtained from a survey made by *The Coal Age* and published in the Dec. 10, 24 and 31 issues of that paper:

REAL EARNINGS OF CONTRACT MINERS IN ANTHRACITE FIELDS

Are contract miners in the anthracite fields underpaid?

John L. Lewis, International President of the United Mine Workers, insists that they are. He has repeatedly drawn upon the reports of the Coal Commission, with their misleading figures basing earnings upon the number of starts made, to support his assertion. In a statement published in the Sept. 15 issue of the United Mine Workers' Journal, Mr. Lewis declared that the average was \$1,700 per year, from which "there must be deducted over \$200" for supplies.

Check of actual payrolls, however, tells a far different story.

For example, in 1924, the West End Coal Company worked 292 days and employed 289 miners. Although full-time work was offered to all, only 174 men, or 60 per cent., worked regularly enough to appear on each of the 24 semi-monthly payrolls. Those that took full advantage of their opportunities earned over \$4,000 net and averaged less than 6 3-4 hours per day. The average earnings by \$100 groups for the 174 were as follows:

Miners.	Average Annual Earnings.	Miners.	Average Annual Earnings.
12.....	\$4,161	12.....	\$2,561
1.....	3,445	11.....	2,448
5.....	3,358	8.....	2,334
5.....	3,241	18.....	2,255
4.....	3,160	12.....	2,165
6.....	3,034	9.....	2,037
10.....	2,969	12.....	1,957
9.....	2,853	11.....	1,846
13.....	2,754	1.....	1,733
13.....	2,674	3.....	1,680

The average per man for the entire group was \$2,613. Over 50 per cent. of the group earned

more than \$2,500 per annum. Less than 16 per cent. of the group received under \$2,000. Only 24 of the 174 worked every day the mine was in operation. The three men in the lowest rated group (\$1,680 per annum) worked only 249 days.

Unskilled labor in this colliery was paid 58 cents per hour, as compared with rates of 25 cents to 45 cents per hour in other industries.

Six breakers of the Lehigh Coal and Navigation Company averaged 271 starts per breaker and employed 1,638 contract miners. But only 1,136 men, or 69.4 per cent. of the total, worked regularly enough to appear on each of the twenty-four semi-monthly payrolls. There were 152 men who earned over \$3,500 net for their work. This group, averaging \$3,809.78, made 274.8 starts, or an average of 3.8 days more than the average starts per breaker. The next highest compensated group averaged 268.4 starts, as compared with 271 for the breakers, and made \$3,448.53.

The average earnings by \$100 groups for the 1,136 contract miners were as follows:

Miners.	Average Annual Earnings.	Miners.	Average Annual Earnings.
152.....	\$3,809	80.....	\$2,451
39.....	3,448	70.....	2,353
46.....	3,347	57.....	2,246
40.....	3,241	53.....	2,152
38.....	3,150	33.....	2,056
68.....	3,051	22.....	1,953
80.....	2,949	17.....	1,849
90.....	2,850	9.....	1,749
82.....	2,748	1.....	1,630
82.....	2,650	3.....	1,562
74.....	2,547		

The average per man for the entire group was \$2,830.54. Nearly 70 per cent. (69.63) of the group averaged in excess of \$2,500 per annum. Less than 5 per cent. received under \$2,000. The three men in the lowest rated group (\$1,562 per annum) worked only 225 days.

The collieries of the anthracite operations of Madeira Hill & Co. made 284 breaker starts in 1924 and employed 1,047 contract miners. Of this number, however, only 439, or 42 per cent., worked regularly enough to appear on each of the semi-monthly payrolls. Of this number, 51 men averaged over \$4,000 net for their labors. The lowest rated group averaged \$1,276.71.

The average earnings by \$100 groups for the 439 contract miners were as follows:

Miners.	Average Annual Earnings.	Miners.	Average Annual Earnings.
51.....	\$4,004.98	32.....	\$2,355.11
5.....	3,455.91	40.....	2,253.74
6.....	3,345.50	27.....	2,160.11
11.....	3,245.80	21.....	2,055.64
19.....	3,142.65	18.....	1,954.41
17.....	3,046.83	20.....	1,859.52
14.....	2,945.31	16.....	1,749.97
14.....	2,857.49	9.....	1,671.44
17.....	2,742.36	6.....	1,549.09
25.....	2,645.61	5.....	1,459.11
24.....	2,542.97	2.....	1,362.83
37.....	2,454.41	3.....	1,276.71

The average earnings for the entire group of 439 were \$2,597.32. Forty-six per cent. of the

group made more than \$2,500. Eighteen per cent. fell below \$2,000; men in this division worked less than 258 days and the lowest rated groups averaged 239 days. Average daily earnings ranged between \$6.05 and \$14.17 for an average day of approximately 6 1-2 hours.

THE 1920 COMMISSION

The most flagrant misstatement in Professor Eberling's article is that relating to the arbitration commission of 1920 and his attempt to throw discredit upon its Chairman, Dr. W. O. Thompson, then President of the Ohio State University. Professor Eberling states that in the matter of an increase to the miners the Chairman had agreed to accept the report of an economist, name not given, who had been engaged to collect data on the cost of living, and that the economist (whose name, by the way, was Hammond) had reported in favor of a 27 per cent. increase. It should be stated in passing that Hammond was a confidant and friend of W. Jett Lauck, the "consulting economist" employed by the United Mine Workers in this proceeding, and Hammond himself had been in the pay of that organization.

The facts are: The operators had offered a 15 per cent. increase (not an unaccepted offer of 17 per cent. as stated by Professor Eberling) and Secretary of Labor Wilson (formerly Secretary and Treasurer of the United Mine Workers), after hearing both sides and in a spirit of compromise, suggested 17 per cent. increase, which he later stated in a letter to President Wilson was as far as he could with good conscience go. It was pointed out that such increase would be fully commensurate to the higher-paid labor with the increase in the cost of living over 1914, and to lower-paid labor an in-

crease far in excess of the increase in the cost of living. The operators accepted the Secretary's suggestion, as did also Lewis, Murray and Dempsey for the miners. Two of the representatives of the miners, however, Kennedy and Golden, held out against it and carried the Scale Committee, to whom it was referred for arbitration, and the commission, with Dr. Thompson as Chairman, was appointed by President Wilson. When it came to the matter of a wage increase to the miners, Hammond urged Dr. Thompson to make the increase 27 per cent., which he said was the rate of increase in the cost of living between the previous wage adjustment, in November, 1918, and July, 1920. Dr. Thompson promised to consider it, and Hammond undoubtedly told Lauck that he was going to give it favorable consideration. But Dr. Thompson was also advised by the operators' representative on the commission that this basis had been considered and rejected in the conferences between miners and operators preceding the appointment of the commission. In fact, in the agreement of 1918 wage rates had been fixed on a basis which apprehended and provided for a further increase in the cost of living. The logic of the situation was to consider wages in their relation to 1914. That was what Secretary Wilson did; it was what Dr. Thompson did. There is no mystery about their agreement. The difficulty was that Hammond and Lauck raised false hopes that did not materialize. The miners were never promised 27 per cent. All they had was a promise to think about it. No one who knows Dr. Thompson believes that he made a promise and broke it. To insinuate, even by innuendo, that the Chairman of that commission was influenced unworthily is a calumny against a man of supremely high character.



The New Knowledge of Electrons

By WATSON DAVIS

Managing Editor, Science Service, Washington, D. C.

WHAT is the most important idea in the world today? Thousands of ideas might be put forth to compete for this honor, but one of America's leading physicists, Dr. Robert A. Millikan, measurer of the electron and the cosmic rays, Nobel Prize winner, and director of the Norman Bridge Laboratory of Physics at Pasadena, Cal., believes that there is one idea that has probably already exerted a larger influence upon the destinies of the race than any other which has ever entered the human mind. It is f equals ma . This is the mathematical expression for the second law of Newton, the basis of modern mechanics and a law that has remained good and valid when others as ancient and seemingly as well founded have been conquered by the newer ideas of Einstein, Bohr, Planck, and others in the new world of physics. The symbol f stands for force, m means mass and a is the abbreviation for acceleration. This idea that underlies the whole of our mechanical world came into human thought in a large way beginning with Galileo, some 300 years ago. If this idea were removed from modern civilization, Dr. Millikan contends, it would cause the whole of it to collapse like a house of cards and throw back the world, so far as its material life is concerned, to the conditions existing in the civilization of ancient Rome.

A younger idea, nearly as important, is that of the electrical constitution of matter. According to Dr. Millikan, this idea, although now less than thirty years old, including as it does radioactivity, electronics, quantum theory, and relativity, has already had such enormous consequences in changing the conception of man about the physical world in which he lives and in practical applications to his daily life that it justifies the expectation that it will be of no less significance than the first. Very recently there has come into the possession

of the race, according to Dr. Millikan, knowledge of the relation between the frequency of ether waves and the energy of the electrons which emit or absorb these frequencies. This relation was not only undreamed of twenty years ago but it is completely irreconcilable with nineteenth century conceptions of the nature of radiation and the nature of the changes in the material bodies giving rise to ether waves. The light that the human eye sees, the radio waves, the X-rays, the ultra-violet and infra-red rays are all ether waves that are radiated by electrons. And electrons are both matter and electricity and the stuff out of which the world is made. Three Nobel Prizes have been awarded, at least in part, for the development of this relation between the frequency of the ether waves and the energy of the electrons. The relation is expressed in the mathematical equation which states that half the mass multiplied by the square of the velocity, an expression that represents the energy of the electron, is equal to a constant of energy emission multiplied by the frequency of the radiating body minus the work necessary to get the electron out. This formula is the one for the first conception of which Einstein was given the Nobel Prize of 1921; for the most important theoretical application of which Bohr was given the Nobel Prize in 1922; and in part for the exact experimental proof of the validity of which the same prize for 1923 was awarded to Millikan. The correctness of this new conception has been substantiated by very recent evidence furnished by experiments of Professor A. H. Compton in Chicago, Professor Bothe and Professor Geiger in Berlin and Professor E. C. Watson at Pasadena.

NEW METHODS OF WELDING METALS

Out of the research laboratories of what is called "pure" science, there continue to

come practical processes that enable the easier performance of the mechanical tasks of a complex civilization. The latest of these gifts of science to technology are two methods of welding metals together made possible by two inventions of the research laboratories of the General Electric Company. After years of search it is now possible to weld so that the fused metal is as strong and as ductile as if it were never in two pieces. Previous methods, using an arc to furnish the necessary intense heat, resulted in the formation of compounds of the metal with oxygen and nitrogen so that the weld was not as strong as the rest of the piece. As the nitrogen and oxygen which unite with the metal come from the air, in these new processes the air is excluded during the making of the weld by a bath of hydrogen, water gas, wood alcohol vapor, and others which do not easily form metallic compounds.

One of the methods was developed by Dr. Irving Langmuir, assistant director of the Schenectady laboratory, and makes use of what he calls flames of atomic hydrogen, based on a discovery of Dr. R. W. Wood, Professor of Experimental Physics at Johns Hopkins University. Electric currents of twenty amperes and at voltages ranging from 300 to 800 were passed through two tungsten rods so as to form an arc similar to the arc between carbon rods in a street arc light. By passing a stream of hydrogen gas into the arc from a small tube an intensely hot flame is produced, because the molecules of hydrogen are broken up by the temperature of the arc into their constituent atoms. As the ordinary form of hydrogen is that of molecules, the atoms almost immediately recombine, but in doing so they liberate great amounts of heat, about half again as much as the oxyhydrogen flame. Iron rods an eighth of an inch in diameter melt within a few seconds when held about an inch above the arc, says Dr. Langmuir. Metals even harder to melt than iron, such as tungsten and molybdenum, one of the most refractory substances known, melt with ease. Quartz, however, melts with more difficulty than molybdenum, which Dr. Langmuir suggests as being due to the fact that the metals act as a catalyzer or a substance which speeds up a chemical

change. The other method of producing ductile welds was developed at the Thomson Research Laboratory of the General Electric Company at Lynn, Mass., by Peter Alexander, independently of Dr. Langmuir's work. The electric arc is passed between the metal to be welded and an iron electrode, and the gaseous atmosphere is supplied in the form of a stream around the arc so as to keep it entirely away from air. Pure hydrogen, water gas, methanol or wood alcohol vapor or dry ammonia can be used, as well as a mixture of hydrogen and nitrogen, for it is found that the nitrogen is not harmful unless oxygen is also present. All these mixtures contain hydrogen, and Dr. Langmuir suggests that this method also depends in part for its efficacy on the disintegration of hydrogen molecules into their atoms.

NEW PETROLEUM PRODUCTS

Out of dirty, black coal and greasy petroleum the creative chemist is making a wide variety of products so unlike their source that they tax credulity. The latest feat is the production of a refined and delicate perfume from ill-smelling petroleum, as has been demonstrated by Harold S. Davis of Arthur D. Little, Inc. And recent investigations in this field indicate that the use of petroleum as a source of raw material for the synthesis of complex carbon compounds may in time transcend its importance as a fuel. Various alcohols may be made from crude mineral oils, none of which will interfere with the Volstead act, but some of which have recently come into common use as solvents for lacquers and the like. Among these alcohols that may be made from petroleum, that known to chemists as "tertiary butanol" is of particular interest and promise for industrial use as a consequence of certain unique chemical and physical properties, such as serving as the basic material of a synthetic scent.

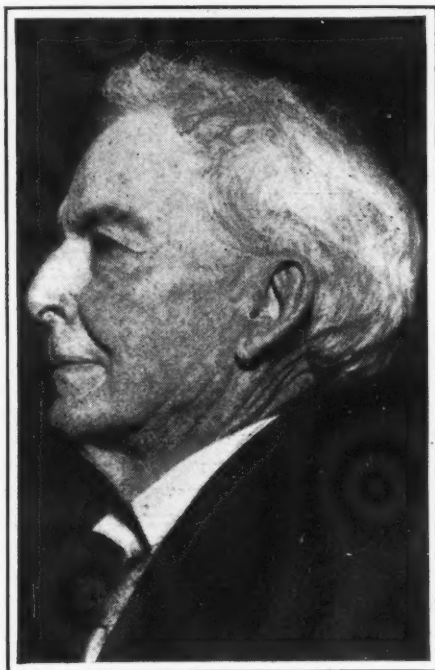
When petroleum becomes scarce and the remaining supply is put to such refined uses, synthetic fuels for internal combustion engines may be made from coal and water. The possibility of this has been proved by C. R. Hoover of Connecticut Wesleyan University and associate investigators. The material employed in the

process is the familiar blue water gas, made by passing a current of steam over a bed of red hot coal. When this water-gas is conducted at high temperature and pressure over a catalyzer, such as finely divided nickel, copper, iron or other metal, the carbon in part combines with the hydrogen, giving a gaseous mixture that contains from 25 to 30 per cent. of compounds of higher heating value. By increasing the pressure of the process it is possible to obtain compounds containing oxygen as well as hydrogen and carbon, such as alcohols and aldehydes of various kinds, some of which may prove on further investigation to have commercial possibilities.

LUTHER BURBANK'S ACHIEVEMENT

Luther Burbank, who recently died, captured the imagination and admiration of the public by his remarkable development of improved varieties of plants. He had the knack of knowing plants. Out of a field of hundreds he could with uncanny ability pick those few plants that had qualities that he wished to take advantage of. He made his gardens on the scale of Ford's automobile plants—thousands of seeds were grown, only a few selected. Yet with all his success and his skill Burbank did not use the scientific methods that plant breeders are successfully applying to produce bigger and better agricultural products, disease-resisting plants and all sorts of other better inhabitants for the farmers' fields. He used the methods of gardening rather than of scientific plant breeding; he was a genius at his work. It seems probable that much of his ability to produce better plants has died with him, for he kept few records of his work of the sort that more academic workers leave for the information of those who desire to know how they achieved their results.

One of the most significant discoveries in the agricultural field is that the mosaic disease of tomatoes, and probably of other plants as well, which annually causes damage aggregating tens of millions of dollars, is caused not by an ultramicroscopic organism too small to be seen with the most powerful of optical aids, as has hitherto been supposed, but by a germ which, though exceedingly tiny, can yet be seen if the right



LUTHER BURBANK

Cultivator of new plants, who died recently

technique is used. This discovery was made by Dr. Sophia Eckerson of the Boyce Thompson Institute for Plant Research. Helen A. Purdy, an associate of Dr. Eckerson, made efforts to cultivate the organism outside the plant tissues, which failed to sustain the claims made by an earlier worker that this virus could be grown in a test tube. Dr. Eckerson found the tissues of diseased tomato leaves swarming with little organisms near the lower limit of visibility for even a high-power microscope. Their diameters ranged from two to four twenty-five thousandths of an inch. Later on larger organisms, about twice the size of those that appeared first, were detected. These creatures were always found in the diseased areas of the leaves, and most of them possessed the power of rapid motion, swimming through the sap with rapid lashes of a whip-like "tail." Mosaic diseases afflict a wide variety of plants and cause very serious economic losses. They are so called because leaves of the diseased plants lose their green color in angular patches, giving the tissue a pattern suggestive of a mosaic pavement. Many workers

have spent years in searching for the cause or causes of the disease, as a first step in the development of means for prevention or cure.

SELF-SUSTAINING PLANTS

An array of vegetable Robinson Crusoes, small living plants, each cut completely off from the outside world by being hermetically sealed in an old electric light bulb, was exhibited to the National Academy of Sciences at its recent meeting. Though they were shut up in their glass prisons for several months, receiving nothing from outside except sunlight and warmth, they grew, using the same supplies of water and air over and over again. The system of growing plants in sealed bulbs was invented by Raymond H. Wallace, a young graduate student in the Department of Botany at Columbia University. It was designed as a demonstration of the ability of green plants to live completely independently, an ability not shared by animals. The plants, which include several ferns and fern-allies, a small sensitive-plant and a seedling evergreen, are so mounted in the spoonful of soil that is allowed them that they receive a constant but not excessive supply of water from beneath. As water evaporates from their leaves it is condensed on the walls of the glass bulb and runs down, to be used over again.

The original supply of air imprisoned in the bulb is also used repeatedly in a slightly more complex cycle. Plants make a double use of air. They take in oxygen and give off carbon dioxide, just as animals do, though it was formerly taught that they performed only the reverse process. They do perform a reverse process, taking in carbon dioxide and giving off oxygen. That, however, is not a part of their breathing, but a part of the food-making process, wherein by the aid of sunlight they build the carbon and part of the oxygen of the carbon dioxide into starch and sugar, releasing the remainder of the oxygen into the air. Because plants play this double rôle, Mr. Wallace's green hermits can keep up the game of life indefinitely. Since they build the carbon dioxide into food, the plants would naturally stop growing when the small original supply of this gas

in the sealed-up air was exhausted. Here the green plants receive aid from a host of unseen fellow-prisoners in their bulbs—the bacteria in the soil. These work only one way, eating up the decaying plant material around them with the aid of oxygen from the air, and returning carbon dioxide, which the green plants capture again and once more feed into the unbroken circle of vegetative life.

LEAD TREATMENT OF CANCER

The disease least conquered, most reported and much worked upon is cancer. Some of the statements are obviously unfounded and impossible, but there is a large amount of important research work in progress on this disease. Out of the many and seemingly conflicting experiments and clinical findings there will sooner or later come the conquest of this disease. With thirty almost hopeless cancer cases apparently cured, Professor Blair Bell's lead treatment comes well to the front, if not to the centre, of the crowded arena of cancer research. Of the 227 practically hopeless cases treated since November, 1920, thirty have been pronounced cured, in ten the cancerous growth has been arrested, and nine are considered greatly improved. Dr. J. G. Adami, Vice Chancellor of the University of Liverpool, in a comment in the English medical journal *Lancet*, in which Professor Bell's papers on the lead process of treating cancer have appeared, says that the thirty patients show no sign of lead poisoning or recurrent cancer, are in good bodily condition and are following their usual occupations.

The funds to carry on this line of cancer research have been furnished by private endowment and are administered by the Liverpool Cancer Research Committee, of which Professor Bell is now director. In his efforts to find a preparation of lead that would react against the cancerous cells and not harm the surrounding tissue he has been assisted by the Department of Physical Chemistry of the University of Liverpool. This has proved to be one of the most serious problems of the whole method of treatment. Lead salts injected directly into the circulatory system are

poisonous. Colloidal lead, with which the best results are obtained, consists of small particles of lead suspended in a state of more or less unstable equilibrium. The problem of the chemistry department of Liverpool, then, has been to devise a method by which a lead colloid could be made more stable and effective. A group of scientists working under Professor W. C. McC. Lewis have been conducting a series of investigations which, while they have produced a considerable improvement, have not yet been able to make a preparation that will stay suitable for use for more than a few days. As yet, according to the account recently published in the *Lancet*, the product is still so unstable and difficult to prepare as not to warrant the publication of the procedure necessary to make it. It is hoped that ultimately a permanent colloid will be perfected which will be then made available for use in the hands of clinicians carefully trained to administer it.

In his most recently published analysis of his results Professor Bell stresses the point that much work must still be done to make a more active preparation of lead that will be less poisonous to the system generally. All types of malignant growths, he declares, are probably amenable to the beneficial influence of lead if only enough of the metal can reach them. He does not hesitate to employ auxiliary measures of surgery, X-rays, or radium when circumstances seem to warrant them, but recommends that when the growth has been partly or apparently entirely removed, "intravenous injection of lead should be employed within a few days of the operation when possible." In conclusion he states that "the method of treatment is difficult, to some extent dangerous and can only be safely employed by those who are thoroughly experienced in the work, and have laboratory facilities at their disposal."

NEW LANGUAGE FOR THE DEAF

Making the fingers substitute for ears is the task that Dr. Robert H. Gault, Professor of Psychology in Northwestern University, now working under the auspices of the National Research Council, has set for himself. He is now testing at Gallaudet College for the Deaf a way to show totally

deaf persons that spoken language has rhythm. If it is put into use in schools for the deaf it will help the child who has never heard the sound of spoken words to talk much more normally. The deaf person has great difficulty in grasping the idea of the swing of human speech. That is why his sentences often sound stiff-jointed and queerly accented. By means of apparatus which conveys the vibrations of a speaker's voice to the finger tip of the deaf person he is able to catch the swing of the sentences and the grouping of words and phrases and fine distinctions among words. The apparatus used for these experiments is the same that Dr. Gault has used for some time in testing the practicability of enabling the deaf to understand speech by the way it feels upon their finger tips. The speaker talks into a transmitter, and the vibrations of his voice are amplified 175 times. The deaf listener, who may be in a different part of the building, holds in his hand a receiving device that looks like a radio earphone and presses one finger against the disk to catch the vibrations. Different vowels and consonants have different vibrations, and, one by one, the student learns to identify the sounds that make up the language.

Dr. Gault has used his method in connection with lip reading, and he has demonstrated that the feel of speech is of practical use here. There are many different groups of words, each member of which looks like every other word in the group to the individual who is reading the lips of a speaker. For instance, the words "aim" and "ape" look exactly alike as the lips form them. These syllables, however, are very different when they are felt by aid of the instrument in the laboratory. Because of the large number of words that are difficult to distinguish in unaided lip reading he believes that learning would be easier for the deaf child if he could watch the teacher's lips and at the same time feel the words in his fingers.

SOLDIERS' RISK FOR SCIENCE

The days of heroism in the interest of humanity do not all belong to the vanished past. Reminiscent of the conquest of yellow fever is the story of how sixty-four men submitted themselves as subjects to

artificial inoculation by mosquito bites and enabled army medical authorities to determine the source of the tropical disease known as dengue fever. An editorial in the *Journal of the American Medical Association* pays the following tribute of appreciation and admiration to the heroism of this courageous group of soldiers:

Almost cryptic reference to these human volunteers is made in the report of distinguished officers from the United States Army Medical Department Research Board in Manila. As if the expected had occurred "in the line of duty," we are told of the military personnel—sixty-four men—who "proffered their services voluntarily," for experimentation relating to the transmission of dengue fever by mosquitoes. No mention is made of the possible suffering involved, the initial fever, the slow convalescence with persistent pains, mental depression and marked physical prostration. To the untutored it may be a revelation in this connection to learn that the disease has been confused with yellow fever in the past. The prospect was therefore scarcely one that would attract a coward or a shirk.

As a result of the experiments it has been conclusively shown by Dr. J. F. Siler, Dr. M. W. Hall and Dr. A. P. Hitchens in a report in the proceedings of the Society of Experimental Biology and Medicine, that dengue fever is transmitted by a mosquito known as *Aedes aegypti*. The investigators found that uninfected mosquitos can pick up the virus causing the disease from the patient only during the first three days after its outbreak and from six to eighteen hours before it appears. Once the mosquito becomes infected by biting a dengue patient, it was ascertained that it is capable of infecting humans during the rest of its existence. The infection, however, is not passed on as an inheritance to the next generation of insects. When the mosquito becomes infected for the first time nearly two weeks must elapse before it can inflict the disease on a human being. The period of incubation in man was found to be much shorter, sometimes taking place in less than a week.

CIPHER-WRITING MACHINE

The age-old search for a method of putting important messages into a code which cannot be interpreted without the use of the key seems to have been achieved. The new machine is described by G. S. Vernam,

engineer of the American Telegraph and Telephone Company, who stated that it had been developed for the use of the Signal Corps of the United States Army during the war, but until recently it has been kept secret. However, one of the advantages of the device is that even an unauthorized person who has full knowledge of the methods and apparatus used cannot interpret the messages without the key. In use, the sender writes the message on a keyboard similar to that of a typewriter, and a perforated tape results which can be used in tape transmitters frequently used in telegraph offices. By means of another kind of machine, if it is desired, the cipher message can be written directly in five-letter code words on paper in ordinary characters. When the message is received it is written on a tape in perforations, and when this is passed through the deciphering machine the message is written out in plain text on a sheet of paper. The method used is one involving what is referred to as a multiple alphabet substitution cipher. In the ordinary substitution cipher a cipher alphabet with the letters arranged in an arbitrary manner replaces the actual alphabet in the same order. That is, instead of starting A, B, C, and so on, the cipher alphabet might start F, Q, R, and so on, and in use the letter A in the original message would become F in the cipher; B would become Q, and so on. Such a cipher may easily be interpreted by noting the letter that occurs oftenest and calling it E, which is most used in the English language. O is the next oftenest used, with T a close third, J, X and Q being the least used. With the multiple alphabet cipher a series of cipher alphabets are used one after the other, the order being given by means of the key word, but the same alphabet is used over and over at regular intervals. While more difficult than the single alphabet, the cipher expert, or "cryptanalyst," can interpret such a message without the key. However, if a key as long as the message itself is used and the letters in it are selected at random, it is practically impossible to translate it. This is the system used in the machine, and the key is another tape, so that the transposing of the letters is done automatically.

Armies and Navies of the World

THE UNITED STATES

INTERESTING statistics on the present status of the United States Army were contained in a report made public by the War Department on March 22. According to the report, the Army personnel on Jan. 31 totaled 142,593. The geographical distribution of the army was given as follows: Continental United States, 102,476; Hawaii, 14,707; Panama, 9,375; Philippines, 11,981; China, 982; Porto Rico, 1,085; Alaska, 396; miscellaneous, including military attachés, officers studying Oriental languages abroad, graves registration service, and troops en route, 1,594. There were 72,591 officers and enlisted men serving under corps area commanders and the commanding General of the District of Columbia, and 29,877 not under their command.

It was announced at Annapolis in March that every member of the Naval Academy class graduating in June would receive instruction in aviation and aeronautics before leaving the institution.

The House of Representatives Committee on Military Affairs on March 26 approved a bill authorizing an expenditure of \$150,000,000 for aviation expansion, covering a period of five years. The bill also provides for reorganization of the Army Air Services according to the wishes of the aviators and the War Department as expressed during recent inquiries. The outstanding feature of this projected reorganization is a proposal to create air sections in each division of the army General Staff, and to increase the Air Service personnel by 400 officers and 6,000 men.

GREAT BRITAIN

THE Secretary of State for Dominion Affairs made public on March 12 the following statement regarding the proportionate amounts contributed during the current year by the principal Dominions and Crown Colonies toward the naval defense of the Empire:

The contribution of the Dominions to naval defense takes the form of maintenance of their own naval forces and establishments by the Gov-

ernments of Canada, the Commonwealth of Australia, New Zealand, and the Union of South Africa. The amounts provided in the estimates of the under-mentioned parts of the Empire for the year 1925-26 are as follows:

UNITED KINGDOM, £60,500,000

Expenditure per head.....	£1 6s. 10d.
Population (Great Britain and Northern Ireland)	45,064,000
Total import and export trade, 1925	£2,250,355,544
Amount spent on naval defense for every £1,000 of total import and export trade.....	£26 17s. 7d.

CANADA, \$1,400,000

Expenditure per head.....	\$0.15
Population	9,364,200
Total import and export trade, 1925	\$1,865,999,890
Amount spent on naval defense for every \$1,000 of total import and export trade.....	\$0.75

COMMONWEALTH OF AUSTRALIA, £3,921,145

Expenditure per head.....	13s. 2d.
Population	5,929,288
Total import and export trade, 1925	£316,182,433
Amount spent on naval defense for every £1,000 of total import and export trade.....	£12 8s. 2d.

There is also a special appropriation of £1,000,000 for defense purposes generally.

NEW ZEALAND, £538,325

Expenditure per head.....	8s. 0d.
Population	1,335,719
Total import and export trade, 1925	£107,718,679
Amount spent on naval defense for every £1,000 of total import and export trade.....	£4 19s. 11d.

UNION OF SOUTH AFRICA, £139,893.

Expenditure per head.....	1s. 9d.
Population	1,610,774
Total import and export trade, 1925	£147,735,815
Amount spent on naval defense for every £1,000 of total import and export trade.....	18s. 11d.

NOTE.—The figures given above for import and export trade are preliminary totals only and are subject to revision.

GERMANY

THE naval estimates for 1926-27 were passed by the Reichstag on March 6. The estimates included an appropriation of 54,000,000 marks for the construction of

two cruisers and seven destroyers. Spirited debate preceded the vote on the bill. In defending the appropriations several members of the People's Party referred to the growth of the Polish naval force, and one speaker declared that twelve of the latest French destroyers were shortly to be delivered to Poland. Herr Gessler, Minister of Defense, said that the Government considered it "to be its duty to do everything possible to prevent Germany from becoming a battlefield for foreign powers."

JAPAN

IT was announced at Tokio on March 21 that the Japanese Government had decided to compensate shipbuilders and others to the extent of 22,000,000 yen (about \$10,000,000) for orders canceled in consequence of the Washington Agreement on the Limitation of Armaments. The shipbuilders, the Kobe steel works and the Sumitomo copper mines will receive 25 per cent. of the value of their orders, the Okura Company 70 per cent. of the cost of pig iron manufacturing plant already installed, the Japan steel works the whole of the cost of their big gun manufacturing plant, and the discharged workers a total sum of 3,000,000 yen (about \$1,500,000).

SPAIN

IMPORTANT changes in the military duties of Spanish citizens were ordered by the Government during March. The outstanding feature of the new decree related to the military status of Spaniards resident abroad. The Government now rules that Spanish emigrants resident in the

American Republics and the Philippines need not return to Spain for military service, unless they so desire. The Government provides that exemption from military service may be secured by the payment to the Spanish Treasury of not less than 1,000 pesetas, the amount varying in proportion to the means of the applicant.

BELGIUM

THE Government continued its program of army reduction. In accordance with the arrangements to effect economies in the National Defense Budget, 300 officers retired on April 3. It was also announced that, if they so desired, an additional 50 officers of the cavalry and the transport service would be permitted to retire. As 620 officers left the army during January the strength in officers has now been reduced from 5,333 to 4,413. It was stated that the arrangements made during 1925 also provide for the retirement of 1,300 out of 12,000 non-commissioned officers. The army at present has a strength of 77,000. The army regulations provide that officers who retire shall receive full pay for three years and afterward a pension at a rate proportional to their period of service.

POLAND

A BILL providing for important changes in the Polish military organization was passed by the Polish Diet during March. The chief feature of the measure was a clause providing for the calling up of only 190,000 recruits in Poland this year, as compared with 213,000 last year.



[FROM FOREIGN PERIODICALS]

Germany's Military Status Today

By ALEXANDER GOURVITCH

Publicist and Special Investigator

ANONYMOUS, in *Le Correspondant*, Paris, April 10, 1926.

WITH a view to destroying "the legend of a Germany armed to her teeth and bending all her efforts for the preparation of an immediate revenge," the anonymous writer analyzes in detail the disarmament measures which Germany has enforced under the pressure of the Allied Governments, especially since last Summer. His conclusion is that there is nothing that "may warrant the assumption that that country is organizing with a view to a very early conflict." The Reich has been effectively disarmed through the destruction of the non-authorized material, and especially through the curtailment of the productive capacity of the plants that are indispensable for war activities—a curtailment so far-reaching as to do away with every immediate menace. It is true that the regular army, though reduced after extreme difficulties to the size provided by the Versailles Treaty, has been improved. But it is unable at present to face the military forces of Germany's great neighbors with any chance of success, even with the support of the *Schutzpolizei*, which will be demilitarized to a great extent by the measures enacted last Fall by the Allied Military Committee. The writer says: "We refuse to follow those authors who maintain, without producing any precise fact in support of their contention, that the German military authorities are in a position to mobilize, on very short notice, in addition to the seven divisions of the *Reichswehr*, a fully equipped national army." There is no equipment in existence for such an army, and none can be provided unless there is a long period of political tension preliminary to war. The writer admits that the procedure provided for a peaceful settlement of conflicts may afford Germany a valuable delay; but he points out that the treaties, the Locarno pact in particular, allow France an ample opportunity to undertake such protective measures as may be necessary. Furthermore, the occupation of the left bank of the Rhine and the permanent demilitarization of the Rhine zone have placed France in a much more favorable strategic position than she held in 1914.

Germany realizes that she is altogether unable now to make a serious and successful military effort. To illustrate this, the writer mentions, on the authority of both the *Tägliche Rundschau*

and the *Vorwärts*, the incident, never officially denied, of an offer made to German nationalist organizations in 1923, in Mussolini's behalf, by the Italian General Capello, then a faithful Fascist, to extend Italy's aid and support to Germany if she should embark upon a war of liberation. The fact that the offer was declined by the German Government shows that it is aware that an armed conflict would inevitably lead to a dismemberment of Germany, and that it also knows, as the *Tägliche Rundschau* has recently expressed it, that "it would have one-half of the people against it in case of a war, and that owing to the social-democratic and pacifist spirit of the masses, every man on the fighting line would have two traitors or two enemies behind him."

These considerations should not, of course, prevent France from remaining watchful, nor should they cause her to forget that Germany's potential military power is still very large, that her military chiefs do make preparations for the future with an indefatigable energy, and that, after all, "disarmament, no matter how complete, will always be something ephemeral." No amount of watchfulness will prevent the inevitable, unless there is a readiness on both sides of the Rhine to make the sacrifices required by that "European state of mind" without which the old continent is doomed to degeneration and to death.

The End of Monarchism in Germany

ANTON ERKELENZ, in *Die Hilfe* (Democratic Semi-Monthly), Berlin, March 15, 1926.

DISCUSSING the proposed legislation on the expropriation of the properties of former German rulers, the writer points out in particular that developments in this regard in the last few months have marked the complete breakdown of monarchist sentiment. In 1919 the then Prussian Minister of Justice, a radical Socialist, declined to undertake any decisive measures with regard to Hohenzollern property, which he regarded as strictly private property. In 1920 a Socialist Finance Minister presented a settlement plan which was much more advantageous to the former rulers than the agreements lately arrived at between Prussia and the Hohenzollerns. Now, monarchist parties, such as the German People's Party and the Bavarian People's Party, are com-

pelled to consent to a settlement plan which the Socialists regarded as too radical in 1918-1919. There is no one in the monarchist parties who dares openly advocate the claims of the princes. Even the most devoted monarchists do not ask for more than a tolerable settlement. "It may perhaps be said that it is only now that the German Revolution is running to its conclusion, so far as monarchs and monarchy are concerned."

The Austrian Problem as Viewed by Italian Nationalists

FRANCESCO COPPOLA, in *Europäische Revue*, Leipzig, March, 1926.

ITALY'S policy with regard to the problem of Austria is entirely subordinated, as are her European policies in general, to the historical necessity of colonial expansion, which is dictated by the constant growth of her population, the lack of raw materials, and her position in the Mediterranean. In order to be able to devote all her energies to the Mediterranean and colonial problem, which is the national problem for Italy, she must be free of all preoccupations elsewhere. To that end she must endeavor to assure the maintenance of a balance of power in Europe, to acquire and to hold a European frontier that shall afford absolute protection to her security, and, finally, to solve definitely the problem of national irredentism "so as to be free of sentiments and passions that may distract her from her true and great goal overseas." It is with this goal in view that Italy voluntarily joined the World War, in order to prevent a German hegemony on the Continent, to break the military power of Austria-Hungary, so as not to have to

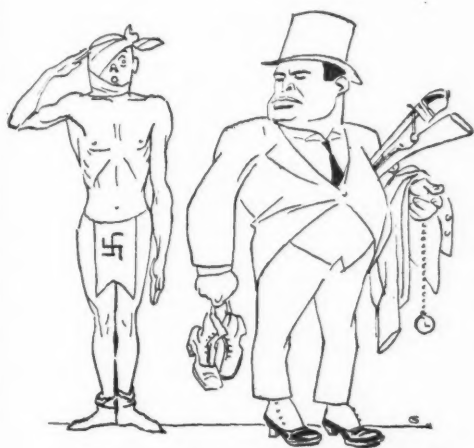


In the United States the slim figure craze is especially active now. Chancellor of the Exchequer Churchill is thinking of borrowing some ideas from there to help him reduce the figure of his budget.

—The Daily Herald, London

concentrate her forces in the North instead of directing them toward the seas, to acquire a natural strategic frontier in the Alps, and to free herself of the sentimental handicaps through the conquest of Trentino, Venetia Julia, and Dalmatia.

The same motives now dictate Italy's opposition to a union of Austria with Germany, or to the constitution of a Danubian federation, or to the establishment of a so-called Slavic corridor from Czechoslovakia to Yugoslavia, across Austria and Hungary. Either of these solutions of the Austrian problem would disturb the balance of power as now established, endanger Italy's security, encourage the irredentist sentiments of the Germans or of the Slavs, and would thus result in distracting Italy from her true mission. Italy must, therefore, insist upon the preservation of Austria as an independent and sovereign State. That is why Italy, forgetting all historical animosities, has freely given aid to Austria, renounced her reparations claims, participated in the international reconstruction loan, opposed the Yugoslav claims to Carinthia and the plans of a Slavic corridor through Austria, entered special tariff agreements with Austria, and so forth. That aid Italy is willing to continue. She harbors no hatred against Austria, in spite of the centuries of oppression. Immediately upon achieving victory, Italy extended a friendly hand to Austria, as well as to all former enemies, a course which was natural for a people that lives through a phase of advance, and with the impetuosity of youth looks forward rather than backward. The World War was not to Italy a conclusion, but a beginning. That is why she has been frank and sincere in her work for conciliation. Germany and Austria should be careful, however, not to disturb that



MUSSOLINI'S GERMAN ADMIRERS

"You have injured, robbed and insulted me, but oh, I do admire you!"

—Kladderadatsch, Berlin



BRITAIN'S INCREASING SUBMARINE FLEET

What is tied to the ends of the British peace palms.
Krokodil, Moscow

spirit by raising the so-called "problem" of the Upper Adige, a problem that does not exist, as it has been solved definitely and forever.

Locarno and Geneva as Steps Toward World Peace

VICTOR AUGAGNEUR, in *La Revue Mondiale*, Paris, April 1, 1926.

THE failure of the latest Assembly of the League of Nations to effect Germany's admission to the League is viewed by ex-Minister Augagneur as a "dangerous crisis" for the League, a crisis which is bound, under the best circumstances, greatly to impair its influence and the confidence which the nations have had in it. If a complete rupture has been avoided, it is only because neither Briand nor Chamberlain could afford it for reasons of domestic politics, while Germany, on the other hand, could not assume the responsibility for a failure of Locarno. In fact, however, the developments at Geneva were a "cruel disillusion." They have demonstrated that, contrary to the enthusiastic dithyrambs of the press, Locarno was not the consummation of peace, but rather, as Briand stated at the time, only one step along a very long road which is

strewn with obstacles. Geneva has shown that the obstacle is formidable indeed. That is inevitable, inasmuch as admission to the League naturally means to Germany a revision of the Versailles Treaty without the necessity to resort to war. As a member of the League, Germany will most probably succeed in enlisting sufficient support to obtain a revision, not only with regard to the reparations provisions ("that absurd notion of compelling the conquered to pay tribute for more than sixty years") but with regard to the territorial provisions as well.

America and Europe

LUJO BRENTANO, in *Die Gesellschaft* (Socialist monthly), Berlin, March, 1926.

THE publication of several books on America by German authors gives Professor Brentano the occasion to discuss what he regards as the essential traits of American life and of an American people and the possibility of an eventual Americanization of Europe. He regards Americanization as improbable, in view of the fundamental differences between European and American culture and mentality. While Europe is a product of spontaneous irrational growth, American life has been built up by conscious effort in accordance with needs clearly ascertained. The "American man" very nearly approaches in type the *Homo economicus* whose hypothetical existence was the foundation of classical political economy, man acting under the impulse of economic motives only and endowed with an absolute mobility and adaptability in response to economic requirements. He is also a perfectly standardized being, thoroughly adapted to the needs of wholesale production. European life, on the contrary, is full of diversity, of inconsistencies, irrational survivals and conflicts, which will probably oppose an unsurmountable obstacle to the progress of Americanization. The writer rather expects a gradual "Europeization" of American life. Politically, America's aloofness is coming to an end. The cultural backwardness of the American people is being gradually overcome by the progress of education. Above all, the barren monotony of American life is giving way to a growing diversity under the effect of national as well as of social and economic factors. The diversity of national cultures is asserting itself as a reaction of the several immigrant groups against attempts at their forcible Americanization. On the other hand, the end of "equality of opportunity" is giving rise to a growing differentiation and opposition of economic classes.

CURRENT HISTORY—PART II.

The Historians' Chronicle of the World

By the Board of Current History Associates

PERIOD ENDED MAY 10, 1926

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The Outstanding Events of the Month

By ALBERT BUSHNELL HART

Professor of Government, Harvard University; Chairman, Board of Current History Associates

AMONG the events of leading interest in foreign countries during the period under review, the following may be listed:

INTERNATIONAL—Russia declines to attend League of Nations disarmament meeting; United States declines to participate in September conference on Senate's World Court reservations.

THE UNITED STATES—Congress approves debt agreements with Italy, Belgium, Czechoslovakia, Rumania, Latvia and Estonia; settlement of French debt to the United States; reopening of prohibition controversy at hearings of Senate Judicial Sub-committee.

MEXICO—Brazilian-Mexican membership of Special Claims Commission, United States and Mexico, rejects American claims in Santa Ysabel case; Jalisco authorities seize American mine during labor troubles; petroleum regulations become effective.

WEST INDIES—Borno re-elected Haitian President; American gold breaks run on Havana banks.

PANAMA—Government rejects United States treaty clauses; British interests acquire large gold concession.

SOUTH AMERICA—Bolivia seeks participation in Chilean-Peruvian Tacna-Arica negotiations under United States auspices; 300,000 suffer in Brazilian floods; Argentina gets \$20,000,000 loan through J. P. Morgan & Co.; banks closed and officials imprisoned in money crisis in Ecuador.

GREAT BRITAIN—Industry paralyzed by general strike called by trade unions in support of the miners.

CANADA—Lemieux named Minister to the United States.

INDIA—The Earl of Reading ends term of office as Viceroy and is succeeded by Lord Irwin; prolonged rioting in Calcutta between Hindus and Moslems.

FRANCE—First "balanced budget" in two years voted; Briand wins vote of confidence on credits for Morocco campaign; suspension of Franco-Soviet negotiations on Czarist debts.

GERMANY—Russo-German neutrality treaty signed; Germany reserves right to withdraw application for admission to League; referendum

ordered on question of confiscating former rulers' property.

AUSTRIA—Austro-Polish arbitration treaty signed.

ITALY—Mussolini, wounded by Irish woman's revolver, visits Tripoli, one of Italy's African colonies.

RUSSIA—Congress of Russian émigrés in Paris names Grand Duke Nicholas leader of monarchists; serious floods in Moscow.

RUMANIA—Huge counterfeit plot uncovered.

POLAND—Skrzynski Cabinet falls as result of financial disagreement.

YUGOSLAVIA—Uzunovitch forms coalition Cabinet after resignation of Pashitch Government.

GREECE—Pangalos elected President; revolutionary outbreak at Saloniki suppressed.

SPAIN—Rivera proclaims end of parliamentarism and adoption of popular referendum.

MOROCCO—Franco-Spanish-Riff conference peace negotiations break down.

SYRIA—The French in offensive against Druse capture Suedia.

PERSIA—Reza Khan crowned Shah.

CHINA—National Army evacuates Peking after deposition of Tuan; Feng reported en route to Moscow; Soviet Consul General at Mukden told by Chang Tso-lin that Karakhan is no longer recognized as Soviet Ambassador to China.

Apart from the general strike in Great Britain, which aroused profound interest and not a little anxiety in all countries of the world, no domestic issue throughout the month has so much stirred the people of the United States as that again raised at the hearing on prohibition before a sub-committee of the Senate Judiciary Committee. This committee was made up of Senators Reed of Missouri, Walsh of Montana, Means of Colorado, Goff of West Virginia and Harreld of Oklahoma—of whom four were drys. The contest between the wets and the drys was made tenser by a resolution introduced by Senator Bruce of Maryland for a repeal of the Volstead act. During the week following April 5 testimony was given by General Andrews to the effect that the prohibition authorities needed more power.

United States Attorney Buckner of New York testified to the immense quantity of industrial alcohol that found its way into a bootleg traffic. Representatives of the American Federation of Labor demanded the restoration of light wines and beer.

In the second week those in favor of enforcement, and more drastic enforcement, had their turn, including Mrs. Peabody, Chairman of the Women's National Committee for Law Enforcement, and Mrs. Willebrandt, Assistant Attorney General of the United States in charge of the enforcement of the law. An interesting incident was the calling of students of Yale College to oppose the testimony of Professor Irving Fisher of that college, because he testified that prohibition had improved conditions in New Haven.

Up to the end of the month no reason could be deduced from the hearing for believing that the severity of the Volstead law would be lessened by the present Congress, which will sit until March, 1927. Nobody insisted on the former saloon system nor on legal use of distilled liquors. The main wet argument was that the Volstead law was too severe and should be

superseded by a milder act that would make bootlegging unprofitable. The most clearly defined proposition was that the Volstead law should be so amended as to compel proof that liquor sold was in fact intoxicating, or that the States should define, each for itself, what the legal proportion of alcoholic content should be. It is clear that in the Eastern and Central States, dominated by large cities, such as Massachusetts, New York, New Jersey, Pennsylvania and Maryland, very large quantities of liquor are being sold with little concealment. None of these, however, was among the thirty-three States which were dry before the prohibition Constitutional amendment was introduced. A repeal of the Eighteenth Amendment, therefore, is not likely, nor a return to the system under which the States legislated for themselves and met as best they could the importation of liquor from other States. On the other hand, the existence of a powerful organized movement, working against the Volstead act, and even against the amendment, is made perfectly clear by the proceedings before the Senate committee and by the attitude of many powerful newspapers.

[INTERNATIONAL EVENTS]

Germany's Neutrality Treaty With Russia

Problem of Disarmament Conference—French Debt Settlement—German Reparation Payments—Scope of International Economic Conference—America's World Court Reservations.

By PHILIP MARSHALL BROWN

Professor of International Law, Princeton University

IT was announced at Geneva on April 15 that the German Government had accepted the invitation to participate in the special Council Reorganization Committee of the League of Nations to consider possible changes in the organization and procedure of the Council in the light of the unfortunate deadlock created over the failure to admit Germany at the special meeting of the League in March. Foreign Minister Stresemann's note to the League concluded:

I take the liberty of pointing out that the

German representative, in view of the fact that Germany is not a member of the League, will inevitably be in a different position in the proceedings of the commission than representatives of the other powers concerned.

Not only must this special position of Germany be taken into account by the German representative, it also makes it necessary to state expressly that participation by this representative in the deliberations of the committee cannot affect the freedom of decision of the German Government as regards Germany's entry into the League.

It is evident from the foregoing that Ger-

many intends to preserve an entire liberty of action concerning her application for membership in the League, as a counterbalance to the possible veto by Council members of her demand for an exclusive permanent seat.

GERMAN-SOVIET TREATY

The outstanding event in the European political situation after the failure to admit Germany to the League was the announcement of the conclusion of a so-called neutrality treaty between Communist Russia and republican Germany, the text of which was issued in Berlin on April 26. The provisions of this treaty are as follows:

Art. 1—The basis of relations between Germany and the Soviet Union remains the Treaty of Rapallo. The German Government and the Government of the Soviet Union will remain in friendly contact with one another in order to insure mutual understanding in all questions of a political and economic nature affecting their two countries.

Art. 2—Should one of the contracting parties, despite its peaceful demeanor, be attacked by a third power or by several other powers, the other contracting party shall preserve neutrality throughout the entire duration of the conflict.

Art. 3—Should a coalition among other powers in connection with a conflict such as is foreseen in Article 2, or at a time when neither of the contracting parties is engaged in warlike activities, be organized for the purpose of imposing an economic boycott against one of the contracting parties, the other contracting party will not participate in such coalition.

Art. 4—This treaty shall be ratified and ratification proclamations shall be exchanged in Berlin. The treaty thereupon goes into effect and is valid for a period of five years. The two contracting parties will reach an understanding over the further status of their political relations before the termination of this period.

An appendix to the treaty consists of a letter from Foreign Minister Stresemann to M. Krestinsky and the Russian Ambassador's reply. It is declared categorically that these communications have equal force with the treaty proper. Dr. Stresemann's letter reads in part:

1. Both Governments are agreed that the underlying principle of reciprocal understanding recorded in the first article of the treaty with regard to all political and economic questions jointly affecting the two nations will contribute materi-

ally to the preservation of universal peace. In any case, both Governments in their discussions will be guided by the necessity of maintaining peace.

2. In this sense both Governments have dealt with basic questions associated with Germany's entrance into the League of Nations. The German Government is convinced that Germany's membership in the League offers no obstacle to a friendly development of Russo-German relations. The League in its fundamental conceptions is designed for peaceful and just settlement of international disputes.

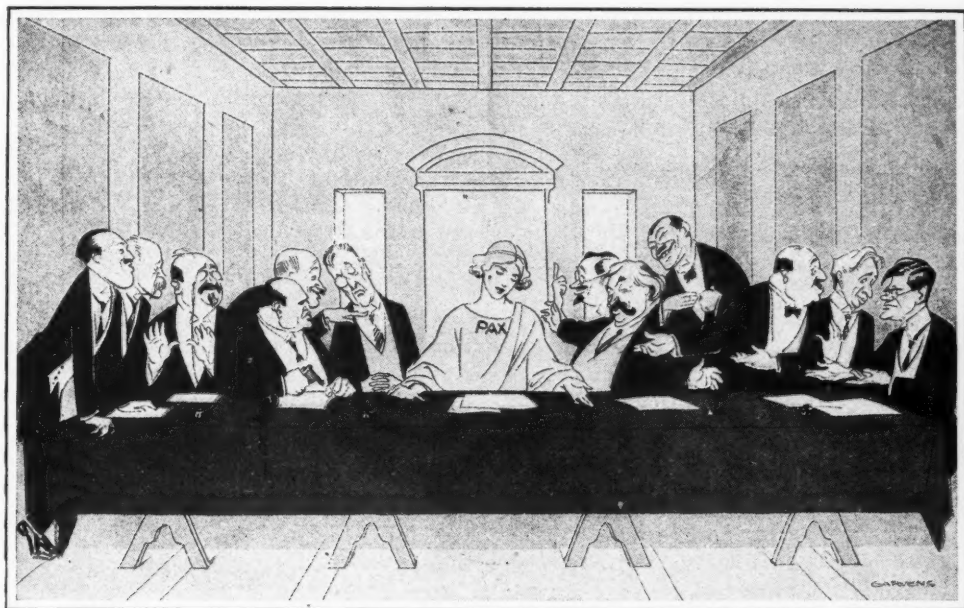
The German Government is resolved to devote its energies to the realization of this conception. Should, however, there arise within the League of Nations tendencies which, in contradiction with this basic idea of peace, would be directed solely against the Soviet Union—which the German Government does not suppose—Germany would oppose such tendencies with all her power.

3. The German Government assumes that this basic orientation of German policy toward the Soviet Union cannot be influenced through faithful observance of obligations which may be imposed on Germany after her entry into the League by Articles 16 and 17 of the League Covenant. Punitive undertakings against the Soviet Union could be contemplated only if the Soviet Union started an aggressive war against another State.

In this connection it must be recalled that the question as to whether the Soviet Union is the aggressor in an armed conflict with a third State can be decided with binding effect for Germany only with Germany's consent, and that thereby accusations raised by other States against the Soviet Union and not considered justified in German eyes would not oblige Germany to take part in any measures initiated under Article 16. As to the question whether and to what extent Germany in a concrete case would be obliged to participate in any punitive measures whatever, the German Government refers to its note of Dec. 1, 1925, regarding interpretation of Article 16 addressed to the German delegation on the occasion of the signing of the Locarno treaties.

4. In order to create a sure basis for the harmonious settlement of all questions arising between them, the two Governments deem it opportune to negotiate a general treaty for the peaceful solution of such disputes, in which connection special consideration shall be given to the possibilities of arbitral processes.

M. Krestinsky's answering note merely reaffirms Dr. Stresemann's declaration that the two nations desire the promotion of world peace, records without comment his observations on Germany's ultimate relations with the Locarno progress, and reiterates in the same words Dr. Stresemann's



SITTING OF THE LEAGUE OF NATIONS

Peace: "One of you is about to betray me!"

(The statesmen caricatured here are, from left to right: Skrzynski, Nansen, Vandervelde, Mussolini, Benès, Chamberlain, and, on the other side of the figure of Peace, Da Costa, Briand, Ishii, Quinones de Leon, Mello Franco and Unden.)

—*Kladderadatsch, Berlin*

declaration about the future conclusion of an arbitration treaty.

Considerable apprehension was manifested in various European capitals concerning the purpose of this agreement, notably in Paris and in Prague. M. Benès, Minister for Foreign Affairs of Czechoslovakia, even went so far as to ask certain pointed questions directed toward Germany, the general tenor of which implied an intent on the part of the latter to evade some of the obligations of membership in the League, specifically those of Article 16 of the Covenant concerning coercive action by the League against a possible aggressor. Dr. Stresemann's answer on this point, as indicated above, would seem conclusive, at least in a technical sense, inasmuch as Germany would have the privilege of a member of the Council in determining the question of an actual aggression.

The French apprehensions clearly arose from the uncomfortable feeling that this treaty was Germany's answer to the failure to admit her into the League, and to the series of so-called "guarantee" treaties entered into at Locarno by various of the European powers. It will be recalled that,

though framed to meet the technical requirements of the Covenant, these agreements virtually amounted to treaties of a defensive alliance. Germany's action, therefore, in signing this neutrality agreement with Russia would seem to be quite as defensible as these other agreements of Locarno. France naturally was inclined to balance either between regret over the failure to admit Germany into the League or fear over the possible consequences of admitting her as a partner of Communist Russia.

Further and calmer reflection, particularly in British circles, is leading to the belief that instead of constituting a step away from the League on the part of Germany, it may well prove to be an effective means of placing Russia in contact with the League.

Europe is now being bound together by a network of agreements of this character, such as one between Poland and Rumania, announced on April 20, and that between Austria and Poland signed on April 16. Others between the Baltic nations and Russia, as well as with Poland, are a logical consequence. Similar understandings be-

tween the Balkan States are likewise expected, while relations between Italy and France seem to be entering on as amicable a basis as between Italy, the Balkan States, and with Austria and Hungary.

DISARMAMENT CONFERENCE

In spite of the general pessimism prevailing concerning the possibility of any general agreement on the subject of disarmament pending the achievement of positive guarantees for the national security of the various European nations, particularly of France, the plans for the preliminary disarmament conference at Geneva on May 18 were not abated. The American delegation, whose composition was stated in *CURRENT HISTORY* for May, sailed from New York on May 1. It was announced from Washington that nothing of a definite character could be achieved by the representatives of the conferring powers at Geneva, since they were meeting purely as a preparatory commission and their duty was to find out whether any proposals or any treaties or agreements further to limit armaments could be worked out and laid before a general conference or conferences with any real hope of success.

It was announced on April 30 from Paris that France would be represented at this conference by a strong delegation, including Paul Boncour, who has particularly concerned himself with this problem; M. Clauzel, director of the Department of the League of Nations at the Quai d'Orsay, and Colonel Requin, military specialist, who for several years has served on the permanent commission on disarmament. Their instructions were based on three ideas: First, that disarmament of a particular nation must be determined by the degree of security it enjoys. Second, in estimating the degree of armaments, it is necessary to consider not merely numbers of troops and material, but also the total "war potentiality" of a nation. Third, that all armaments must be considered, namely, of land, sea and air, rather than any one of these as it may seem to affect the fortunes of a given State.

In this connection it is interesting to note that Charles Evans Hughes, former Secretary of State, in an address before the American Society of International Law

in Washington on April 22, expressed the opinion that "whatever may be the difficulty in finding formulas for the limitation of land armaments, it ought to be possible to follow up the work of the Washington Conference and to provide satisfactory limitation of auxiliary naval craft. For this purpose it is not necessary to find formulas for all States having ships."

INTERALLIED DEBTS

The ratification of the Italian debt settlement by the United States Senate on April 23, after a bitter debate, prepared the way for the signing of the agreement for the funding of the French debt on April 29, as well as the ratification of the settlements with Belgium, Latvia, Rumania, Estonia and Czechoslovakia. The accompanying table indicates the main terms of these various settlements, the only other debts awaiting settlement being those of Yugoslavia, Armenia, Greece and Russia.

While the terms of the French debt settlement call for payments during the first ten years less by \$35,000,000 than those offered by former Finance Minister Cailiaux last October, the total to be paid in sixty-two years is \$627,000,000 larger. Under the agreement payments are \$30,000,000 for the first and second years, \$32,500,000 for the third and fourth years, and \$35,000,000 for the fifth year. They then increase to a maximum of \$125,000,000 in the seventeenth year, continue at that level until the sixty-first year, and there is a final payment of \$117,674,104.

No interest is charged for the first five years, and after that the interest, averaged, would be about 1.58 per cent. The present-day value, under the agreement figured at $4\frac{1}{4}$ per cent. over sixty-two years, is a shade more than 50 per cent. of the principal of the French debt, as opposed to 26 per cent. in the Italian agreement and 78 per cent. in the British compact. A clause is to be written into the final form of the agreement granting to France the right to delay an individual payment in the first five years, for three years from the date it falls due, if France so desires, but this must be repaid before there can be other delays. A similar clause, granting a period of grace of two years, is in the British agreement.

SETTLEMENT OF DEBTS TO THE UNITED STATES

Country	Original Amount of Debt.	Accrued Interest as Funded.	Principal of Debt as Funded.	Rate of Interest on Funded Debt.		Annual Payments on Funded Debt.		Total Amount to Be Paid (Principal Plus Interest.)	Term.
				Initial.	Final.	Initial Year.	Peak Year.		
Belgium—									
\$377,029,570.06	\$40,750,429.94	\$417,780,000	77-100%	3½%		\$3,840,000	\$12,861,850	\$727,830,500.00	62
Czechoslovakia—									
91,879,671.03	23,120,328.97	115,000,000		3%	3½%	3,000,000	5,884,725	312,811,433.88	62
Estonia—									
12,066,222.15	1,763,777.85	13,830,000		3%	3½%	483,000	548,550	33,331,140.00	62
Finland—									
8,281,926.17	718,073.83	9,000,000		3%	3½%	315,000	359,185	21,695,055.00	62
France—									
3,340,416,043.72	685,000,000.00	4,025,000,000		1%	3½%	30,000,000	125,000,000	6,847,674,104.17	62
Great Britain—									
4,074,818,358.44	525,181,641.56	4,600,000,000		3%	3½%	161,000,000	187,250,000	11,105,965,000.00	62
Hungary—									
1,685,835.61	253,164.39	1,939,000		3%	3½%	67,770	78,885	4,693,240.00	62
Italy—									
1,647,869,197.96	394,130,802.04	2,042,000,000		½%	2%	5,000,000	80,988,000	2,407,677,500.00	62
Latvia—									
5,132,287.14	642,712.86	5,775,000		3%	3½%	201,250	235,980	13,958,635.00	62
Lithuania—									
4,981,628.03	1,048,371.97	6,030,000		3%	3½%	210,900	239,855	14,531,940.00	62
Poland—									
159,666,972.39	18,893,027.61	178,560,000		3%	3½%	5,916,800	9,315,000	435,687,550.00	62
Rumania—									
36,128,494.94	8,477,878.67	44,590,000		3%	3½%	200,000	2,249,020	122,506,206.05	62

*In reaching the funded principal of the debt in most of the agreements certain relatively small cash payments were made, so that the original amount of the indebtedness plus accrued interest does not exactly equal the funded principal.

†Term of years for amortization.

It is interesting to observe that the French Government finally abandoned the attempt to include in the debt settlement a "safeguard" clause whereby France would not be obligated to pay the United States in case of failure on the part of Germany to pay French reparations. This may be claimed to have been effected, however, in an indirect manner, in estimating French capacity to pay and in the provision for the right to delay an individual payment in the first five years.

The negotiations between the French Government and the Soviet commission over the Russian debt, which had been in course for two months, were suspended toward the end of April. The points at issue upon which agreement was found impossible were apparently three. First, Russia insisted that the essential condition of the payment of the Czarist debts was that France should grant extensive credits to Russia. Second, the French insisted that the Soviet Government must "recognize" the old debt, whereas the Soviet Government was unwilling to do more than to "admit the existence" of such a debt. Fi-

nally, the French Government insisted that the interest payments on the old bonds must be made on the basis of not less than 25 per cent. gold ⁴ the original amount. The failure of the negotiations apparently carried with it the failure of the scheme to trade valuable Russian oil concessions for a 30,000,000 gold ruble loan.

American bankers who are interested in the possibility of making loans to Russia were informed by the State Department on April 10 that the Administration would not look favorably either upon lending money directly to Russia or to other foreign countries for promoting their trade with the Soviet Republic. It was said at the State Department that, although the department has never disapproved of or discouraged trade or commerce between the United States and Russia, it would not be to the interest of the United States to lend money to a foreign country to trade with Russia, as this would amount indirectly to lending money to Russia. The State Department does not see how it could benefit the United States to make loans to for-

eign countries for trading with Russia. It was stated, furthermore, that as Russian debts to the United States have not been funded, the Administration does not feel disposed to extend credits to Russia any more than it feels like doing so to any other debtor nation that has not met its obligations.

Considerable interest was aroused by the announcement on April 27 from London that the leading world bankers were considering a colossal plan for the liquidation in one great ensemble of the problems of German reparations and interallied debts. The essence of this plan would be to market internationally bonds to the amount of some \$3,750,000,000 in securities of German railroads and industrial plants now hypothecated under the Dawes Plan to guarantee reparations payments. This sum, it has been estimated, represents approximately the present value of all European debts to the United States.

It was announced from Berlin on April 2 that the German Industrial Obligations Bank had paid into the account of the General Agent for Reparation Payments the sum of 62,500,000 marks for the Trustee for the German industrial debentures under the Dawes scheme. The amount represents the first half of the annual interest of $2\frac{1}{2}$ per cent., payable in the second year of the scheme, upon the 5,000,000,000 marks mortgage upon German industry made over to the Trustee in the form of bonds and salable debentures.

Thomas N. Perkins, who for a year and a half had served as the American member of the Reparation Commission with respect to questions relating to the execution of the Dawes Plan, resigned on April 17. The commission appointed in his place Walter P. Cooke, who was chairman of the arbitral tribunal between the Reparation Commission and Germany. With the consent of the commission Mr. Perkins assumed the post of chairman of the arbitral tribunal.

ECONOMIC CONFERENCE

The preparatory commission for the economic conference which met at Geneva on April 26 completed its sessions and made public the results of its discussions. The reports of three subcommittees were

submitted—on currency and finance, on questions of industrial significance and on freedom of trade. During the Summer data on these matters will be gathered, and when the commission meets again in October it will study the data at length and decide the points of the provisional agenda for the conference.

The American members of the commission, acting in a personal capacity, were: Arthur W. Gilbert, Agricultural Commissioner of Massachusetts; David F. Houston, former Secretary of Agriculture under President Wilson, and Professor Allyn Young of Harvard University. The Government of Russia declined to be represented in this conference because of its diplomatic controversy with Switzerland.

UNITED STATES AND THE WORLD COURT

Secretary of State Kellogg replied on April 19 to the invitation from the League of Nations under date of March 29 to send delegates to a conference in Geneva concerning the reservations attached by the Senate to the ratification of the Statute of the Permanent Court of International Justice. Mr. Kellogg stated that he did not see that any useful purpose could be served by sending a delegate to such a conference, inasmuch as "these reservations are plain and unequivocal" and that he had no authority to vary the mode of procedure or to modify the conditions and reservations or to interpret them. He further added this significant observation: "It would seem to me to be a matter of regret if the Council of the League should do anything to create the impression that there are substantial difficulties in the way of * * * direct communication" with the other States who have signed the statute:

If any machinery is necessary to give the United States an opportunity to participate through representatives for the election of judges, this should naturally be considered after the reservations have been adopted and the United States has become a party to the Statute of the Permanent Court of International Justice. If the States signatory to the Statute of the Permanent Court desire to confer among themselves, the United States would have no objection whatever to such a procedure, but, under the circumstances, it does not seem appropriate that the United States should send a delegate to such a conference.

INTERNATIONAL CONFERENCES

The sixth session of the International Conference on the Unification of Maritime Law met at Brussels on April 6. It dealt with four different conventions: (1) Immunity of State-owned Ships and Cargoes; (2) Limitation of Shipowners' Liability; (3) Maritime Mortgages and Liens, and (4) Carriage of Goods by Sea.

Another conference of great significance, in view of the general strike in Great Britain, was the meeting of the International Miners' Federation held in Brussels on April 15. The continental delegates were placed in possession of full information of the grievances of the British coal miners, though apparently not in complete sympathy with the idea of aiding the general strike.

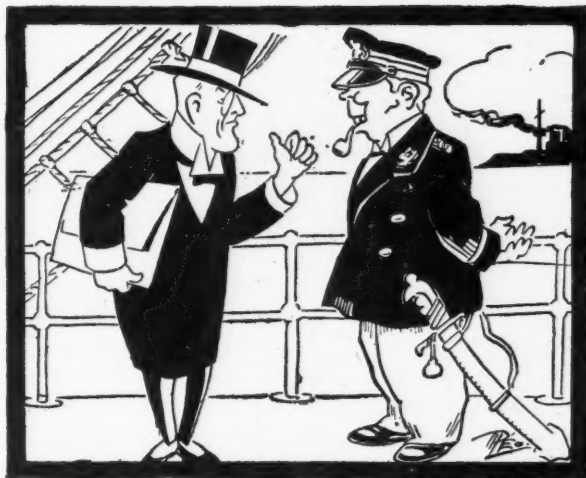
The eighth general assembly of the International Institute of Agriculture met in Rome on April 19, with seventy-one countries represented by 200 delegates. This assembly was followed by the World Forestry Congress.

The International Union of Associations for the League of Nations met in Brussels on April 13, with delegates present from France, Sweden, Holland, Belgium, Poland, Great Britain, Germany and Japan. The following resolutions were adopted:

- (1) Germany to be admitted to the League with a permanent seat on the Council at the September meeting;
- (2) Any further enlargement of the Council to be provisionally adjourned;
- (3) The principle of rotation to operate between non-permanent members.

SOCIALIST SUPPORT FOR THE LEAGUE

A few days after the issuing of a violent appeal to the working people of the world to "unite for the fight against the League of Nations" by the Executive Committee of the Communist International in Moscow, the Executive Committee of the Socialist and Labor International met in Zurich on April 11 and, speaking in the name of some 25,000,000 Socialist voters in practically every European country except



DIPLOMATIC SINCERITY

British Delegate: "Au revoir, Admiral. I am going to rejoin my colleagues at the disarmament conference."
 Admiral: "Bon voyage, Excellency. And good luck! I hope that on your return we shall be able to salute you with some strong new ships."

—P'st, Constantinople

Russia, called for the strengthening of the League through the application of more democratic methods in its procedure. The committee stressed the importance of the League as an agency of organized Socialist and industrial democracy of the world in order to guarantee effectively the peaceful settlement of international disputes and the achievement of the greatest degree of disarmament.

AMERICAN PARTICIPATION IN LEAGUE CONFERENCES

The degree of cooperation of the United States with the League of Nations is demonstrated by its recent participation in six important conferences organized under the League of Nations, namely, the meeting of the Preparatory Committee for the International Economic Conference, and the sixth session of the League Health Committee at Geneva on April 26, the International Passport Conference on May 12; the meeting of the Experts' Committee appointed to study the question of double taxation and tax evasion on May 17; the Preparatory Commission for the Disarmament Conference on May 18, and the eighth session of the League Opium Commission scheduled for May 26.

[UNITED STATES]

Opening of Anti-Prohibition Campaign

Three Bills for Farm Relief—The Government's Economy Program—Country Faced by Widespread Labor Shortage—Status of Congressional Campaign

By WILLIAM MacDONALD

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IF the comparative space given by newspapers to their reports of events is a reliable indication of the measure of public interest in the events themselves, then the public hearings on prohibition, held by the Judiciary Committee of the Senate at Washington, April 5-24, may safely be pronounced the most interesting domestic happening of the month. It is not recalled that metropolitan newspapers have ever before devoted two or more solid pages, day after day for more than two weeks, to detailed reports, often verbatim, of testimony and argument for or against the continuance of any national policy, while few if any Congressional hearings in recent years have been attended by such emphatic statements of opinion by those who have spoken on the opposing sides.

The most important testimony in behalf of the "wets," who were heard April 5-15 except on April 12, was offered by Lincoln C. Andrews, Assistant Secretary of the Treasury, in charge of prohibition enforcement, and Emory R. Buckner, United States District Attorney for the district which includes New York City. According to Mr. Andrews, 875 prohibition agents had been dismissed during the past year, some of them for serious offenses, only 5 per cent. of smuggled liquor was seized, and the enforcement of the laws was hampered by the courts. Mr. Buckner estimated the annual bootleg profits at some \$3,600,000,000, while the trial by jury of one month's cases in New York, he said, would occupy the time of a Federal judge for a year. Not less than \$75,000,000 a year, he declared, making possible among other things the provision of eighty-five additional Federal courts with 150 additional judges, would be needed to dry up the State of New York,

but \$15,000,000, with seventeen new courts, would suffice if Congress would authorize the abolition of jury trial in liquor cases.

A report prepared by the Board of Commissioners of Cook County, Illinois, presented by George E. Brennan, Democratic candidate for Senator from that State, showed a large increase in crime and the cost of dealing with it in Chicago. William Roberts, speaking for William Green, President of the American Federation of Labor, declared that the American workman wanted light wines and beer, especially the latter, and similar testimony was given by official representatives of the building and metal trades, the International Seamen's Union, and other labor organizations. Mr. Andrews, who testified again on April 14, admitted that permission of beer would help enforcement, and further declared that the 172,000 stills that had been seized during the year probably represented about one-tenth of the number of stills in the country.

Sensational charges against the Methodist and Baptist Churches were made on April 15 by Dr. Samuel H. Church, President of the Board of Trustees of the Carnegie Institute of Technology at Pittsburgh. The Methodist Church, he declared, "is out-heroding Herod in its demand for the religious control of our people * * * and with the zeal of a Torquemada is striving for the ecclesiastical mastery of private conduct, not through the gospel but through law." The Baptist Church "is moving heaven and earth to wipe out by civil statutes every ounce of pastime and pleasure of those weary and toiling masses who more and more are looking to Sunday as a day of healthful recreation and happy exercise." The prohibition enforcement

agent in Allegheny County was said to have "widely published an advertisement calling upon all people to spy upon their neighbors, and, if necessary, go to telephones outside of their own district and give him anonymously the names and locations where liquor is suspected so that they may raid the places." Dr. Church later modified some of his reported statements.

The rejoinder of the "drys," which began on April 12 with the appearance before the committee of representatives of a number of women's organizations and religious or educational bodies, was resumed on April 16 under the direction of Wayne B. Wheeler, Counsel for the Anti-Saloon League, and spokesman for various churches. In general, little attempt was made to combat the specific charges offered by the "wets," although statistics were presented to show that under prohibition poverty had decreased, health had gained, and drunkenness and crime were on the decline. The restoration of beer, it was asserted, would bring back the saloon, and the experience of Canada was cited to show that Government regulation of liquor sales had failed, and that in the Province of Quebec crime and immorality had increased. It was denied that American labor wanted beer. An interesting incident of the closing session, on April 24, was the appearance of several students of Yale University, who testified regarding a recent poll which showed that a large majority of the students favored a modification of the Volstead régime, and declared that liquor could readily be obtained in the vicinity of the institution.

No direct or tangible results of the committee hearings had appeared up to the time when these pages went to press. The apparent purpose of the Administration to enforce the prohibitory laws with increased rigor had been indicated on April 2, before the hearings began, by the introduction in the Senate, at the instance of Mr. Andrews, of a bill amending the Volstead act so as to provide, among other things,



STUCK?

The camel and the needle's eye.

—The Chicago Tribune

for better control of the manufacture of cereal beverages and denatured alcohol, the seizure of vehicles used in transporting liquors, and the issuance of warrants to search private dwellings in which distilling apparatus for illegal use existed. Additional authority to search American vessels beyond the twelve-mile limit, and to negotiate reciprocal agreements with other countries "making it unlawful for any person to introduce into the other country merchandise which is contraband there," was called for by Mr. Andrews on April 19. The so-called Mellon-Andrews bill, separating the prohibition unit from the Bureau of Internal Revenue and placing the enforcement of prohibition under the immediate authority of the Secretary of the Treasury, passed the House of Representatives on April 27 by a vote of 194 to 6. The approval by President Coolidge on April 14 of an additional appropriation of \$3,000,000 brought the total appropriations thus far made for the enforcement of prohibition during the coming year to \$24,000,000.

A note of the British Government, dated

March 27, 1926, and which was made public early in May, conceded the right of American cutters to enter Bahaman waters for a year to prevent liquor smuggling. The right of the United States to seize alien liquor vessels beyond the three-mile limit was denied by the Federal Circuit Court of Appeals in a decision rendered at New York on April 21. The Court held that treaties with foreign nations do not extend the territorial jurisdiction of the United States, and declared that some of the allegations of fact enumerated in the Government case were false.

The New York Legislature, which closed its session on April 23, rejected a State prohibition enforcement bill, and passed a bill providing for a referendum at the November election on a proposal "to memorialize Congress in favor of liberalizing the Volstead law so as to empower States to enact enforcement statutes permitting traffic in alcoholic beverages not in fact intoxicating." A hearing on this latter bill, which has not been signed by Governor Smith, was announced for May 18.

FARM RELIEF

Out of the maze of conflicting opinion that had confronted Congress since January regarding farm relief legislation, three bills at last emerged. The original Corn Belt bill, which proposed a Federal appropriation to aid in the marketing of surplus crops, together with an "equalization fee" to cover the losses involved in selling the export surplus at a reduced price, was strongly opposed by President Coolidge, mainly on the ground that it involved the unsound economic principle of price-fixing. A letter of Secretary Jardine made public on April 13, however, indicated a significant change of front on the part of the Administration. The letter suggested the creation of a Federal board and a revolving fund to aid in the marketing of crops, but without mention of the equalization fee. The Tincher bill, introduced in the House on April 15 and providing for a Federal Farm Advisory Council, a Farmer's Marketing Commission, and a loan fund of \$100,000,000, was understood to embody the revised views of the Administration.

To this program the sponsors of the original Corn Belt bill, reinforced by support from the cotton States, brought forward the Haugen bill, a much more radical measure presented in the House on April 27. The Haugen bill provides for a Federal Farm Board which shall fix the domestic price of farm products at the figure obtaining "at the principal export market of the principal competing foreign country," plus the American tariff tax and the cost of transportation from the nearest competing point abroad, and further directs the President to declare an embargo on foreign products in case such products are sold in the United States at prices less than those fixed under the bill. The bill carries appropriations aggregating \$375,000,000, to be "administered by the board and used as a revolving fund."

A third measure, known as the Curtis-Aswell bill, calls for an appropriation of \$10,000,000 to enable farmers to establish and control national and section marketing associations. The sponsors for the bill hope to insure the control of production, "stabilize farm prices under economic laws," "absolve the unnecessary profits of useless middlemen," and "prevent gambling and speculation."

Debate over these various proposals began formally on May 4. The announcement on April 29 that eleven Senators from Western States were prepared to oppose an adjournment of Congress until farm legislation was enacted of a more radical character than the Administration was supposed to favor, was followed by reports of concerted opposition to the Haugen bill on the part of Representatives from a number of Eastern States.

GOVERNMENT'S ECONOMY PROGRAM

Well-informed observers at Washington were apparently agreed that the struggle over farm relief legislation would afford a crucial test of the Administration's economy program. The conclusion of the war debt settlements, assuming that the agreements with France and Yugoslavia are duly ratified, and the passage of the World Court resolution by the Senate, were undoubtedly important victories for Mr. Coolidge, but it was generally admitted that the successful insistence thus far upon

economy in appropriations had done more than anything else to commend the Administration to the country, and had given Mr. Coolidge a following even in Democratic circles. The passage of the Tincher bill, with its appropriation of \$100,000,000 for farm relief, would, it was pointed out, leave the Treasury with a large actual deficit at the close of the next fiscal year, while the enactment of the Haugen bill would necessitate a large increase in taxation.

In connection with his approval on May 1 of a bill appropriating \$19,000,000 for pensions for Spanish War veterans and their dependents, Mr. Coolidge took the unusual step of issuing a signed statement in which he again urged economy. Notwithstanding the prospect of "a moderate surplus" at the close of the present fiscal year, the ensuing year, Mr. Coolidge declared, would probably show a deficit of about \$40,000,000, included in that amount being the Spanish War pensions. It was with the expectation, he continued, that any further considerable increases in permanent appropriations would be resisted in Congress that the pension bill was signed. Any deviation from that policy would present only an alternative "well known and perfectly apparent to everybody," namely, the imposition of additional taxes.

OTHER WORK OF CONGRESS

Mr. Coolidge let it be known on April 27 that he was also opposed to the further creation of independent Federal commissions, on the ground, it was said, that they "lead to the worst form of bureaucracy and prevent the Administration from carrying out its policies." The statement was called out by the situation in Congress regarding radio control, where a House bill putting the supervision of radio under the Secretary of Commerce was opposed by a Senate measure giving the control to an independent commission. Mr. Coolidge favored the House bill.

Efforts to clear the calendars of the Senate and House of other items of business



BULLET PROOF.

—The Chicago Tribune

in order to make possible an early adjournment of Congress were only partially successful. The "pork barrel" bill appropriating \$36,000,000 for rivers and harbors was reported to the House on April 9. A naval aviation bill appropriating \$89,000,000 to carry out a five-year plan of aviation expansion passed the House on April 12, as did a commercial aviation bill, already voted by the Senate, placing commercial aviation under the supervision of the Department of Commerce. The Gooding bill, a Senate measure extending the period for repayment by the railways of the money advanced to them by the Government for reconstruction after the war, was strongly endorsed by Secretary Mellon on April 13, but with the suggestion that the period be reduced from forty to thirty years and the rate of interest increased from 4 to 4½ per cent. A number of important bills dealing with various phases of the railway situation still awaited action.

Strong Democratic opposition developed in the Senate to an Administration measure appropriating \$165,000,000 for the con-

struction of public buildings. The bill, which had already passed the House, was amended on May 3 by depriving the Secretary of the Treasury of authority to expend the \$100,000,000 which the bill allotted to the District of Columbia, and requiring Congressional approval of building contracts, and by further stipulating that at least one new building should be erected in each State. Leasing of the Government plant at Muscle Shoals, Alabama, to a group of Southern power companies for fifty years was recommended on April 26 in a majority report of a joint special committee of Congress.

FINANCES AND BUSINESS

The force of President Coolidge's plea for economy was not weakened by the continuance of unexpectedly large Treasury receipts from taxes. Internal revenue receipts for the first ten months of the fiscal year ending June 30 next amounted to \$3,127,596,606, an increase of \$129,274,109 over the corresponding period last year. The budget surplus, it was estimated, would amount at the close of the present year to at least \$270,000,000, and possibly to \$300,000,000, with an estimated reduction of the public debt by the same date of from \$750,000,000 to \$800,000,000. An increase of a little less than \$95,000,000 in Government expenditures to April 30, as compared with the corresponding ten months of the previous year, was due entirely to increased expenditures for the sinking fund from which the debt retirement is effected, the general expenditures of the various Government departments being about \$32,000,000 less than for the ten-month period last year.

Notwithstanding the temporary prosperity of the Federal Treasury, estimates of business conditions throughout the country showed much diversity of opinion. The Department of Labor reported on April 15 that "marked improvement in steel, building, textile and shoe manufacturing lines has strengthened demands for skilled and unskilled workers," and that the country is faced with "the first widespread labor shortage since the depression of 1922."

A sharp break in the New York stock market on April 12, apparently due to the export of specie necessitated by a run on a

large bank in Cuba, with a consequent rise in the call money rate at New York, was the most notable episode in a market whose speculative fever has disappeared and in which prices of securities have moved up and down within narrow limits.

The Ward Food Products Corporation, a \$2,000,000,000 company familiarly referred to as the "bread trust," against which the Government on Feb. 8 lodged a suit for alleged violation of the anti-trust laws, was ordered on April 2, by a consent decree issued by the United States District Court at Baltimore, to dissolve within thirty days and surrender its charter to the State of Maryland.

WAR DEBTS AND CLAIMS

The ratification by the Senate on April 21 of the war debt settlement with Italy, and of a similar settlement with Belgium on April 26, followed by the signing on April 29 of a war debt agreement with France and on May 1 of a similar agreement with Yugoslavia, completed the list of debt agreements which it was expected could be made for the present. Of the three countries whose war debts to the United States are still unsettled, Russia has not yet been accorded official recognition, Armenia has no Government, and a controversy over counter-claims put forward by Greece has interrupted the negotiations which were begun several months ago.

Debate on a bill introduced in the House by Representative Ogden L. Mills of New York, embodying the plan of the Administration for the settlement of all war claims between the United States and Germany and the return of German property, or its equivalent, seized during the World War, and providing for a bond issue of \$250,000,000 for the payment of awards to Americans made by the Mixed Claims Commission, including those of the Lusitania, was marked by bitter attacks from Democratic members, based chiefly, it would seem, upon allegations that certain "big interests" would be financially benefited by the measure.

MR. COOLIDGE'S SPEECHES

President Coolidge made four public speeches at Washington during the month. On April 8, in an address at the laying of

the cornerstone of the National Press Building, he defended the reservations under which the United States adhered to the World Court, declared that the limitation of armaments could not be accomplished without "an intellectual and moral disarmament," and urged the press to "create a noble and inspired public opinion." On the same day, addressing the first Pan-American Congress of Journalists, he reviewed the relations between the United States and Latin America, and praised the press for its work in interchanging news and preserving "the most cordial good feeling existing among our respective nations." An arraignment of the apathy of voters, and an appeal to women for their aid in "drastic action" to overcome it, formed the theme of an address on April 19 before the Daughters of the American Revolution. The Scout movement, he told the National Council of Boy Scouts on May 1, is not only based on the "fundamental rules of right thinking and acting," but also "seems to embrace in its code almost every virtue needed in the personal and social life of mankind."

NATIONAL AND STATE POLITICS

Save in one or two States, the Congressional campaign is still in a preliminary stage. The most striking event was the overwhelming defeat of Senator William B. McKinley for renomination at the Republican primaries in Illinois on April 13. Mr. McKinley made his campaign chiefly on the issue of American entry into the World Court, a policy which he had supported in Congress, and his defeat by Frank Smith, an opponent of the Court, was widely interpreted as a rebuff to the Administration. No outstanding national issue appeared in Indiana, where two Republican Senators, James E. Watson and Arthur R. Robinson, both of whom voted against the World Court resolution, were renominated on May 4. In Pennsylvania, where the Senatorial contest is also a bitter struggle for the control of the State Republican organization, charges of extensive forgeries in the signatures of primary petitions for William S. Vare, "wet" candidate for the Senate, were made by Governor Pinchot, who ordered an investigation.

The work of the New York Legislature,

whose session closed on April 23, was characterized by the Citizens Union of New York City as "an extraordinary record of achievement," notwithstanding that its output of new laws "consisted very largely of predigested measures submitted or recommended by commissions or groups of experts who had been called on for aid."

OF NATIONAL INTEREST

Formal notice of the impeachment of Federal Judge George W. English of the Eastern District of Illinois by the House of Representatives was given to the Senate on April 6. Following the reading of the charges, five in number, presented by the House managers to the Senate on April 22, the Senate voted to resolve itself the next day into a court for the trial of the case. On May 3 Judge English appeared and entered his denial of the charges.

By an overwhelming vote of 265 to 87 the House of Representatives on April 8 refused, in effect, to consider a reapportionment of the membership of the House, in accordance with the Constitution, on the basis of the census of 1920.

On April 5 the Byrd Arctic expedition, headed by Lieut. Commander Richard E. Byrd, sailed out of New York Harbor on the steamer *Chantier*, amid the flying of flags and the cheering of well-wishers. The purpose of the expedition was, according to Lieut. Commander Byrd, to prove "that the airplane can do useful work in exploring the unexplored Arctic areas, and can make the flight to the pole itself." The hopes of the expedition were realized when, on May 9, Byrd hopped off from Spitzbergen, flew to the pole, circled it several times and returned after a flight of 15½ hours. This achievement was hailed with greatest enthusiasm in the United States, since it assures to this country the claim to the first airplane flight to the North Pole. President Coolidge, in congratulating Commander Byrd, said: "It is a matter of great satisfaction that this record has been made by an American." Commander Byrd used a gigantic Fokker plane, equipped with skis, new sun compasses and new boats and sleds, in which to return in case of accident.

Mexico's Stand on Land and Oil Laws

*Diplomatic Battle Between the United States and Mexican Governments
—Decisions of Claim Commissions—The Church and State Conflict
in Mexico—Revolution in Nicaragua—Bank Crisis Averted in Cuba*

By CHARLES W. HACKETT

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THE voluminous correspondence exchanged between the Governments of the United States and Mexico since November, 1925, with respect to the new Mexican alien land and petroleum laws, was released for publication simultaneously in Washington and Mexico City on April 10. It consists of two memorandums from the Secretary of State to the Mexican Minister for Foreign Affairs, dated Nov. 17, 1925, and Nov. 27, 1925, and relating to the then pending alien land bill (this bill was passed by the Mexican Congress on Dec. 23, 1925); and the corresponding replies of the Mexican Foreign Minister, dated Nov. 17 and Dec. 5, 1925, respectively; a memorandum of the Chief of the Division of Mexican Affairs of the Department of State to the Counselor of the Mexican Embassy, dated Dec. 22, 1925, regarding certain alien laws in operation in Illinois and Arizona which had been referred to by the Mexican Minister for Foreign Affairs; a note of protest against the petroleum law which was presented by Ambassador Sheffield on Jan. 8, 1926, to the Mexican Minister for Foreign Affairs, and the latter's corresponding reply on Jan. 20; and two notes of Secretary Kellogg, dated Jan. 28 and March 1, respectively, to Foreign Minister Sáenz, and the latter's corresponding replies of Feb. 12 and March 27, respectively.

The correspondence, although controversial in character, is altogether friendly in tone. One of the most disputed points was with reference to a provision in both laws that requires foreigners to agree not to invoke the protection of their Governments in so far as their property rights in Mexico are concerned. In each of the last four communications to the Mexican Foreign

Office the United States Government consistently "declined to concede that such a waiver can annul the relations of a citizen to his own Government or that it can operate to extinguish the obligation of his Government by diplomatic intervention to protect him in the event of a denial of justice within the recognized principles of international law." By way of reply Minister Sáenz admitted that "an individual may not compel the State of which he is a citizen to refrain from asserting a right that belongs to it." He consistently defended however, the requirement in the two laws that an alien must consider himself a Mexican with respect to Mexican-owned property, on the ground that such an obligation was "assumed individually * * * between the contracting party and the Mexican Government," and in no wise infringed "upon any of the rights of a foreign State."

As a result of Secretary Kellogg's note of Jan. 28 and Minister Sáenz's reply of Feb. 12 (1926), a mutual understanding was reached that both Governments upheld the principle "that Mexico should not enact laws which in their application are retroactive in respect of rights legally acquired by aliens under laws existing at the time the property or property right was acquired." Secretary Kellogg, in his note of March 1, then made specific inquiries "as to how the Mexican Government regards, in their practical application," the provisions embodied in the first seven articles of the land law, as officially promulgated on Jan. 21, 1926. At the same time, with reference to the petroleum law, Secretary Kellogg asserted that the Mexican Commissioners, in their conference of Aug. 2, 1923, with Messrs. Charles B. Warren and John B. Payne, had "specified that

paragraph 4 of Article 27 of the Constitution of 1917 is not retroactive in respect to all persons who have performed, prior to the promulgation of the said Constitution, some positive act which would manifest the intention of the owner of the surface, or of the persons entitled to exercise the rights to the oil under the surface, to make use of or obtain the oil under the surface and then in detail described the nature of such positive acts or intentions." Secretary Kellogg accordingly expressed the hope that the regulations of the petroleum law which President Calles is authorized to issue "will confirm the right of American citizens in whatever form the property may be held without cost or added burdens in all cases where the positive acts * * * have been performed."

In his reply (March 27), Minister Sáenz explained that none of the first six articles of the land law were retroactive and that none would be given retroactive effect. With reference to Article 7 of the land law, which provides that aliens with rights acquired before the law went into effect must declare the same before the Ministry of Foreign Relations within one year after the promulgation of the law, Minister Sáenz stated that the declarations required by this article merely constituted "a statement of * * * rights previously acquired." As regards the petroleum law, Minister Sáenz acknowledged "the declaration of the Mexican Commissioners" who affirmed in 1923 in the name of the Mexican Government "that 'they would recognize the right of the Government of the United States to make any reservation of the rights of its citizens or in their name' which was made for the event of a resumption of diplomatic relations between the two countries." Minister Sáenz also gave assurances "that in the regulations on the subject the rights to the subsoil held by American citizens who had performed any of the positive acts" enumerated in his note of Jan. 20 "will be confirmed." The Presidential regulations of the petroleum law had not been issued as late as May 5.

While no formal acknowledgment was made by the United States Government that it was satisfied with the understandings effected, it was unofficially reported from Washington on April 11 that it was under-

stood that neither Government expected any further fundamental disagreements and that the United States Government might rely upon interpretations of the Mexican courts, or that the correspondence might be renewed with reference to remaining points requiring clarification.

Important decisions were announced in April by the General Claims Commission sitting in Washington and the Special Claims Commission with headquarters in Mexico City. Acting on the principle that a legal Government is not freed from responsibility for injuries done by a prior "usurper" Government to foreign interests, the former commission on April 3 ruled that the acts of the Government of General Victoriano Huerta, which was in power during parts of 1913 and 1914, although a "usurper" Government, "were binding on the nation." The commission further ruled that although the "executive policy" assumed by the American Government under the Administration of President Wilson "temporarily * * * rendered * * * diplomatic interposition or intervention unavailable to an American citizen * * * it did not affect a vested right of such citizen." In the case of the claim of the North American Dredging Company of Galveston for breach of a dredging contract, the General Claims Commission sustained a motion of the Mexican Government to dismiss on the ground that the company had previously agreed to exhaust all remedies afforded by Mexican law before invoking diplomatic protection in the event of Mexico's failure to live up to the contract.

The Special Claims Commission, with United States Commissioner Perry dissenting, formally announced on April 26 its decision in the celebrated Santa Ysabel case, whereby Mexico is held not liable for damages for the murder by forces of Pancho Villa of seventeen Americans at Santa Ysabel, Chihuahua, in January, 1916. The neutral Presiding Judge, Dr. Rodrigo Octavio, took under advisement a formal motion for the reopening of the case and a new hearing, filed immediately after the decision by H. D. Basham, legal adviser to the American Embassy.

The enforcement of the religious and

educational clauses of the Constitution continued during April to agitate Catholics both in and out of Mexico. Bishop José Martínez Zárte of Huejutla, State of Durango, was ordered by a District Judge on April 17 to appear for trial on the charge of having voiced opposition to the Mexican Government's decision to insist upon obedience to the religious clauses of the Constitution, in violation of Article 130 of the Constitution, which provides that "no ministers of religious creeds shall * * * criticize the fundamental laws of the country, the authorities in particular or the Government in general." The Bishop of Tacambaro, State of Michoacán, was ordered on April 21 to present himself in court to answer charges of having issued a pastoral letter libeling the Government. In a clash between Federal troops and Catholics at Zitácuaro, State of Michoacán, on April 28, three persons were killed and twenty-five wounded. It was reported on May 1 that, as a result of the acute situation that had developed, not a Catholic church was functioning in the States of Colima and Michoacán because of the refusal of the priests to say mass.

An attack on the Mexican Government was made on April 10 in a statement by Archbishop Curley of Baltimore, who criticized President Coolidge for having recently entertained Minister of Public Instruction Puig Casauranc at luncheon at the White House—a courtesy customarily extended to a Cabinet member of a foreign nation who may be visiting Washington.

In an apostolic letter of Feb. 2 to the Archbishops and Bishops of Mexico, made public in Rome on April 19, Pope Pius XI voiced his sympathy for the Catholic clergy of Mexico because of the "wicked * * * regulations and laws * * * against the Catholic citizens of Mexico which have been sanctioned by officials hostile to the Church." The Pope approved the action of the Mexican hierarchy in having previously "solemnly" protested against the laws; protested against the expulsion of the Apostolic Delegate from Mexico City "as if he were a common enemy of the Republic"; and condemned the National Catholic Church of Mexico as a "schismatic sect." At the same time all Cath-

olics of Mexico were forbidden "to establish any political party under the name Catholic," and all Bishops and priests forbidden to "become members of any political party," or to "write for the journals of any political faction."

In an address before the annual convention of Episcopal ministers in Mexico City on April 9, Bishop Creighton, new Episcopal Bishop of Mexico, advised Protestant missionaries not to mix in politics or political matters of Mexico. He also advised churches to see to it that their members respect the laws.

The recently issued regulations concerning private schools were suspended by order of the Ministry of Education on April 19, with a view to enabling the principals of Catholic schools and the Secretariat of Public Instruction to consider their differences. The Minister of Public Instruction announced his willingness to consider the objections of Catholics to governmental regulation of schools provided the Catholics accepted lay education. The new rules for private schools issued on April 24 prohibited the use of pictures, paintings or anything that would indicate religious ideas; forbade schools to have communication with any buildings dedicated to religious uses; prohibited ministers or priests of any religion to serve as directors of schools; forbade directors of schools to teach religious subjects; and prohibited the mention of anything religious, including names of saints.

United States customs officials at New York on April 1 confiscated 60,000 rounds of small-arms and rifle ammunition that had been smuggled on a vessel which was preparing to sail for Mexican ports.

President Obregón issued a statement in which he declined to be a candidate for the Presidency in 1928 and suggested a change in the Constitution which would specifically bar a person from ever being elected President of Mexico for a second term.

General Angel Flores, former Governor of the State of Sinaloa and candidate for the Presidency in opposition to General Calles in 1924, died in Nayarit on March 29.

Mexican Ambassador Téllez at Washing-

ton on March 31 officially denied published reports that the Mexican Government had granted a 2,000,000-acre land concession in Lower California to a Japanese syndicate.

Nicaragua

NICARAGUAN Liberals initiated a revolution on May 2 when they captured Bluefields, an important port on the Caribbean Sea. Two days later the Nicaraguan Congress declared the country in a state of war and authorized the President to levy assessments against the citizens for \$500,000 to cover the expenses of the war. The United States Government ordered the cruiser Cleveland to proceed from the Canal Zone to Bluefields to safeguard American interests there. The present Government in Nicaragua is headed by President Emiliano Chamorro, Conservative. As a result of a *coup d'état* in October, 1925, General Chamorro forced Constitutional President Solorzano to reorganize his coalition Cabinet and appoint him (Chamorro) Minister of War. Subsequently Congress banished the Liberal Vice President Sacasa and, upon the resignation of President Solorzano elected General Chamorro President. The United States and the Central American Governments have refused to recognize the Government of General Chamorro on the ground that it was established by force.

Cuba

THE publication, by newspapers opposing foreign banking interests, of false rumors of the insolvency of certain banks, caused a run on all foreign banks in Havana and the interior, especially the branches of the Royal Bank of Canada, on April 10. Public confidence was somewhat restored by the action of President Machado and Secretary of State de Cespedes, who publicly deposited large sums in two of the banks. President Machado severely condemned the run and placed at the disposal of the Royal Bank of Canada his personal fortune and \$40,000,000 in the National Treasury. To meet the demands of their depositors, American and Canadian banks rushed \$80,000,000 in cur-

rency to Cuba from the United States. Cuban-owned banks reported no unusual developments. Government officials and responsible business interests declared no reason for alarm existed and that the pretext for the malicious statements was a slight crisis caused by the low price of sugar. Normal banking conditions had been restored in Cuba by April 12. The same day several persons were arrested, charged with having spread the false rumors, and a judicial inquiry into the sources of the sensational newspaper articles was begun.

The Cuban Cabinet on April 14 accepted a plan presented by the sugar-growing interests designed to curtail the present crop by 10 per cent. The Cabinet also took action to prevent the overproduction of sugar for the next two years.

PANAMA

ANNOUNCEMENT of the discovery of gold within the limits of a concession comprising more than 4,500 square miles in the Sierras of Panama was made early in April. The Panaman Corporation, Limited, which holds the concession from the Panama Government, is composed principally of British capitalists.

The draft of a new treaty between the United States and Panama was recently received by Dr. Ricardo Alfaro, Panaman Minister at Washington. This treaty is designed to modify the present arrangement whereby the United States maintains commissary stores and sells merchandise to its employes, a system which is alleged to work serious injury to business in Panama.

Haiti

THE Haitian Council of State on April 12 elected Louis Borno to succeed himself as President of Haiti. After the announcement of his re-election, President Borno gave out the following statement: "My re-election guarantees four more years of close cooperation between the Haitian and American Governments, and a continuation of the harmonious relations which have so effectively contributed to the present prosperity of the country."

Tacna-Arica Conference Opened in Washington

New Negotiations Begun Under American Auspices—The Pan-American Congress—Murder of American Citizens in Argentina—Bolivia's Move to Obtain a Seaport—Brazil's Grant of Land to Japan—Ecuador to Reorganize her Finances under American Expert

By HARRY T. COLLINGS

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THE Tacna-Arica discussions continued without definite results. The plebiscite, for the holding of which on March 15 preparations had been made for months past, was officially abandoned early in April, having been previously postponed to March 27. At the invitation of Secretary Kellogg, the Peruvian and Chilean Ambassadors met in Washington on April 6. In opening the conference the Secretary said:

I am very greatly pleased to welcome to this conference the plenipotentiaries of Peru and Chile, who, I am sure, are imbued with an earnest desire to settle this long-standing difficulty; and I am confident that they share with me the feeling that it can be settled. In offering the good offices of the United States you will appreciate that I have no desire other than to bring the representatives of your great countries together in the sincere hope that a common basis of adjustment may be found. In this age it is vitally important that two of the great nations of the Western Hemisphere should set an example to the world of a willingness to make concessions and adjust their difficulties and again restore their diplomatic and commercial relations. I earnestly urge upon the distinguished representatives of both countries the greatest forbearance and conciliatory spirit. If we all determine that this difficulty shall be settled it can be done, maintaining the honor and dignity of both countries. I suggest that in taking this matter up we have the most informal discussion, which shall be treated as confidential unless we agree upon a statement to be given out. I should like to have you feel perfectly free to make any suggestions and to speak your minds openly, because in this way we can best reach a basis of mutual understanding.

With this conference the controversy entered upon a new phase. Publication on April 17 of the proposals made at the conference by Secretary Kellogg indicated that all thought of a plebiscite had been abandoned and that the question had been returned for settlement to the diplomatic

representatives of the two disputants. This brought about once more the situation that existed several years ago, when, because of failure to agree, the representatives asked President Harding to become arbitrator. Both parties to the controversy accepted "the good offices" of the United States in effecting a settlement. Plebiscitary activities were suspended during the attempt by the conference to find a solution, but all arrangements made during months past in the disputed area were left intact and it will be possible to resume plebiscitary activities, should negotiations by conference fail. The two specific propositions made by Secretary Kellogg were:

1. The territory of Tacna and Arica shall be constituted a neutralized State, either independent or under the protectorate of South American States as may be agreed, or
2. The provinces of Tacna and Arica shall be transferred (upon an apportionment of equitable compensation and appropriate economic arrangements, to be agreed upon) to a South American State not a party to these negotiations.

Obviously the unnamed State is Bolivia. Which of the two propositions, if either, would be acceptable was not clear a month after the conference began its deliberations.

From a nationalistic point of view neither solution was satisfactory since each left unfulfilled the national desire to own the territory. The second plan had a special feature to commend it—it gave Bolivia a "window on the sea." Bolivia's claim to a Pacific outlet must sooner or later be considered, as this expanding nation will be able to exert an ever-increasing pressure for a free harbor. The present proposal, although considered unsatisfactory from many viewpoints, would give an opportunity for Chile, Peru and Bolivia to

enter into treaties of commerce which might in a few years afford such great advantages that all possibilities of strife among the parties concerned would be completely eliminated.

The first Pan-American Congress of Journalists opened its session in Washington on April 8 with an address by President Coolidge, who said in part:

We of the Western Hemisphere are one people, striving for a common purpose, animated by common ideals and bound together in a common destiny. Unto us has been bequeathed the precious heritage and the high obligation of developing and consecrating a New World to the great cause of humanity.

The President also paid a high tribute to the Latin-American press.

At the Fifth Pan-American Congress held in Santiago, Chile, in 1923, action was taken which materialized in this Congress. The eighty journalists from the twenty Latin-American republics met under the auspices of the Pan-American Union to discuss the ways and means for improved news service in the Western Hemisphere.

Argentina

PRESIDENT ALVEAR, in agreement with his Cabinet, accepted (April 24) the invitation of the League of Nations to send representatives to attend the preliminary meetings of the Disarmament Commission and the commission to study the reorganization of the Council of the League.

The Director General of Statistics recently issued a report on the foreign trade of Argentina for 1925. The report showed that the total foreign trade of the country last year amounted to 1,744,777,548 gold pesos (\$0.965), which is 5.2 per cent. less than in 1924. Imports increased 5.8 per cent., as compared with the previous year, while exports decreased 14.2 per cent., the decrease being largely in agricultural products. The balance of trade was unfavorable to the extent of 8,917,784 gold pesos.

A unique proposal appears in the budget for 1926 in the Province of Buenos Aires. The Budget Committee proposes in the new revenue law a tax on absentee ownership of property in cases where the owner has lived abroad continuously for two years

prior to the date of the law. The same tax will be applicable to corporations whose boards of directors function in a foreign country.

Two American citizens, William Theisner and Carlos Hettman, and their Argentinian chauffeur were murdered in the Province of Salta, near the Bolivian frontier, on April 28. Associated Press reports assigned robbery as the motive for the slaying. Theisner was a road inspector for the Standard Oil Company of Argentina. The men were reported to be carrying a payroll amounting to 50,000 pesos (approximately \$20,000).

An air mail and passenger service was inaugurated March 1 between Buenos Aires and Montevideo, Uruguay.

The interest awakened in aviation in Argentina by the recent flight of the Spanish aviators to South America was manifested by the gift of \$40,000 to the Spanish Government for the purchase of a hydroplane to replace the one used in the flight to Argentina. The latter was presented to the Argentine Republic.

A loan of \$20,000,000 for the Government of Argentina was arranged by New York bankers and offered to the public on May 1. The bonds, which pay 6 per cent. interest, were put on the market at 98. Proceeds from the new loan are to be used in refunding and consolidating a number of short term issues.

Brazil

THE recent offer of the Brazilian Government to grant to Japan a tract of land, comprising twelve and one-half million acres, in the upper reaches of the Amazon, aroused great interest in that country. The Japanese Government has left it to private enterprise to investigate the colonizing possibilities of the tract. The Kanegafuchi Spinning Company, one of the largest of its kind in Japan, at a meeting of its shareholders, voted \$37,500 for the purpose of sending a commission to examine the territory and report as to its suitability for exploitation. It is said to include extensive areas of hard woods, the marketing of which would pay for the clearance of the land. Cleared areas could profitably be planted to cotton and rubber.

Several small but prosperous colonies of Japan have been established in other parts of Brazil.

Figures just published on the foreign trade of Brazil in 1925 show it to have been the largest in the history of the republic. The total foreign trade amounted to approximately \$894,883,470, but exports exceeded imports by only \$70,106,000, the smallest favorable balance of trade since the disastrous year of 1921.

Ecuador

DR. ISIDRO AYORA on April 2 was appointed President of the Council of Government of Ecuador. He was to hold office until May 24, when the Constituent Assembly was to elect a President to succeed former President Gonzalo Cordova, whose administration was overthrown on July 9, 1925. Since that time the country has been governed by a triumvirate constituting the Council of Government.

Dr. Edwin W. Kemmerer, Professor of Finance at Princeton University, has been engaged by the Government of Ecuador to reorganize its national finances. The agreement, which was concluded through Señor Barberis, Ecuadorean *Chargé d'Affaires* in Washington, provides for a mission of eight experts in banking, customs, accounting and taxation. The mission's work will begin in October and continue for three months. Professor Kemmerer has achieved an international reputation by reorganizing the finances of Chile, Colombia and Poland. Bolivia is now negotiating with him to survey its fiscal system after his work in Ecuador is completed.

Ecuador balanced its budget in 1925 for the first time in years, and a surplus of approximately 1,500,000 sucres was reported (one sucre equals normally \$0.486). This was offset, however, by the payment of 2,400,000 sucres for acquisition of control over the stock of the Guayaquil & Quito Railroad, in which the Government now owns 75 per cent. of the stock. The chief concern of the Ecuadorean Government is to bring its exchange back to normal. It is now quoted at about 4 sucres to the dollar, compared with a normal rate of about 2 to the dollar.

A monetary crisis affecting the Banco Comercial y Agrícola (Bank of Commerce

and Agriculture) arose in Guayaquil on April 10. Three banks were closed on orders of the Minister of Finance. Their managers were sent to prison, but were soon released at the plea of other bankers. The Chimborazo Banking Society and the Italian Bank have since been permitted to reopen, while mounted police are guarding the institution closed. The cause of the trouble was a shortage of funds. The Minister of Finance charged that these banks had refused to honor checks of the Ministry of Finance in favor of army officers. No other banks were affected. Telegraphic censorship was decreed.

Bolivia

A STATEMENT issued by the Foreign Office at La Paz stated that Bolivia's official attitude toward the territorial dispute between Chile and Peru over Tacna-Arica was one of strict neutrality. Bolivia, however, has not relinquished her aim to obtain an outlet to the Pacific Ocean. To that end on April 19 an official note was sent by President Siles of Bolivia to President Coolidge asking for Bolivian representation in the conferences on the Tacna-Arica dispute. President Coolidge replied that his duties had to do solely with the dispute between Chile and Peru over the two provinces; that the negotiations now in progress in Washington originated in a tender of the good offices of the United States made by the Secretary of State to the Governments of Peru and Chile, and that in the absence of any consent of those Governments he could not appropriately invite another Government to participate in the negotiations. He expressed, however, the hope that Bolivia's wishes might be considered in the final settlement.

What is reported to be the greatest commercial concession ever granted to British interests outside of the British Empire was announced by the Bolivian Oil and Land Syndicate Company, Ltd., of London. The concession contains 30,000,000 acres of agricultural and forest land and is to be held in perpetuity. Oil rights have been given for one third and mineral rights for another third. This concession, located in a rich section of the country, has only recently been opened to settlement.

[THE BRITISH EMPIRE]

Canada Reduces Taxation

Irish Railway Difficulties—Australian Labor Opposition to British Governors—South African Immigration Policy—Hindu-Moslem Troubles in India—Steps Toward Ending of Opium Export

By RALSTON HAYDEN

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ALTHOUGH the general strike (treated elsewhere in this issue) overshadowed all other events in Great Britain during the period under review, brief mention should be made of certain other occurrences of importance. Despite uncertainty caused by the situation in the mining industry unemployment fell below the million mark just before the strike came.

The financial year which ended on March 31 closed with an actual surplus of £36,000,000. In his revenue proposals for the coming year Winston Churchill, the Chancellor of the Exchequer, included a tax on legal betting which aroused a storm of protest from widely differing sources. The Chancellor proposed no reduction in the income tax and suggested increases in other directions.

Among the political incidents of the month were the suspension of thirteen Labor members from the House of Commons for their defiance of the Chairman of Committees (Deputy Speaker) whom

they accused of unfairness; the election of Miss Susan Lawrence as a Labor member; and the adoption by the Independent Labor Party at its annual conference of a

program intended to bring about socialism and internationalism "in our time."

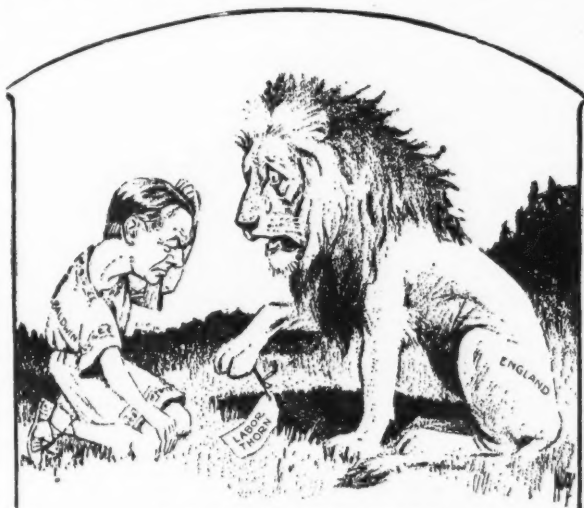
The Earl and Countess of Reading arrived in England on April 17 after their five years' service in India. At an audience with King George the Earl was elevated to a Marquisate, the second rank in the British peerage, in recognition of his service as Viceroy.

Ireland

SIMULTANEOUSLY the Governments of the Irish Free State and Northern Ireland on April 18 entered on the work of taking a national census. Beginning in

1821 a census was taken by Ireland every ten years until 1921, when the state of the country caused a postponement of the decennial reckoning. During the first two decades after 1821 the population increased from 6,000,000 to 8,000,000, but after the famine of 1851 a constant decline set

in and by 1911 had reduced the figures to 4,390,000. The Free State papers now in use differ from those of Northern Ireland only by including a question regarding the



A JOB FOR ANDROCLES.

—The New York Times



The British miners' strike against longer hours and lower wages.
—*The New Leader, London*

use of the Gaelic speech, and a compulsory column concerning religion.

Sir Walter Nugent, who presided at the first ordinary general meeting of the proprietors of the Great Southern Railways of Ireland, denied that the present serious plight of the Free State railways was due to the amalgamation of the several lines which form this system. He declared that the merging of these companies had effected large economies impossible to the railroads as separate entities.

A situation of local tenseness arose when a naturalized American citizen, one Patrick Garland, was detained by Free State authorities upon his arrival at Queenstown from New York on April 25. He was charged with bearing documents indicating that negotiations were under way between certain Irish Republicans and the Irish Republican Army Headquarters in the United States, regarding the purchase of munitions. Garland disclaimed all knowledge of the contents of the papers which he was carrying.

Eamon de Valera, still the outstanding irreconcilable, sought during the month to

form a new political organization whose purpose would be to urge the abolition of the oath of allegiance to the Crown in both the Free State and the Northern Parliaments, so that Republicans might enter both assemblies.

The Government of Ulster on April 1 for the fifth consecutive year closed its annual budget with a surplus of revenues over expenditures. The total revenue for the year was £12,726,000, as against £13,240,000 during the preceding year, while expenditures fell from £13,000,000 to £12,675,000.

Canada

REDUCTIONS in taxation which totaled \$25,000,000 were provided for in the revenue bill submitted to the Dominion House of Commons on April 15 by J. R. Robb, the Minister of Finance. Among the reductions was that of the duties on automobiles and motor trucks. To encourage the Canadian industry a drawback of 25 per cent. was proposed on materials for the manufacture of motor vehicles, provided that at least 50 per cent. of the finished vehicle was made in Canada. The immediate result of these proposals was the temporary closing down of a large number of plants, most of which were reopened after their operators had assessed the effect of the tariff changes. The Minister of Finance declared that the reductions would be made in response to "a pronounced sentiment that the automobile industry has more protection than is needed." The Canadian automotive industries issued a statement saying that if the tariff reduction were enacted the industry would be wiped out by the mass production of American factories.

A Canadian farm loan board was proposed to the House of Commons on April 19 by the Minister of Finance as a means of solving the question of rural credits in the Dominion. The board suggested by the Government would consist of four members, one being the Minister of Finance and the other three appointed by the Governor-General-in-Council. This

body would provide farmers with financial assistance for the purchase of land, seed, implements and live stock on the security of first mortgages. The loans would be confined to farmers, would not exceed \$10,000, or run for more than thirty years. The Dominion Government was to provide initial capital to the amount of \$5,000,000.

During April Manitoba took drastic steps to provide for the stricter enforcement of prohibition within the province. Four Government bills for this purpose were given their third reading in the Provincial Legislature over the bitter opposition of Conservative and Labor members. The passage of these measures constituted a decisive victory for the prohibition forces.

Australia

THE Parliament of the Commonwealth adjourned on March 26 for six weeks after having passed the Government's tariff bill with only a few minor amendments. Its place in the public eye was taken by the "Labor Parliament," the term popularly applied to the Australian Labor Party Conference, which convened in Sydney on April 1. The conference, attended by more than 300 delegates from the several States of the Commonwealth, was in session for a week and witnessed one of the bitterest factional fights in the history of the Labor movement in Australia. The struggle was between the Left Wing of the party and the more conservative leaders and ended in a narrow victory for the latter group. The conference passed a unanimous vote of confidence in Premier Lang of New South Wales, the action having special reference to his fight to secure the abolition of the State Legislative Council.

Declaring that a strong policy of controlled immigration and a national roads and transportation policy were essential to the progress of the country, Stanley M. Bruce, Prime Minister of the Commonwealth, announced late in March that a non-political and thoroughly representative commission would be formed to advise the Government on immigration, national development and the utilization of the natural resources of the continent.

In the belief that the best results in education and industry could be obtained only

when its citizens were housed in sanitary conditions, with plenty of fresh air, the South Australian Government continued and extended its policy of mass building for the poorer classes and enabling the individual of small means eventually to become a house owner on easy terms.

New Zealand

SATISFACTION was expressed by J. G. Coates, the Prime Minister and Minister of Railways, upon the completion by the Railway Department of its first year upon an independent financial basis. During the twelve months since the finances of the Government railways have been separated from the Consolidated Fund the revenues have increased by about £700,000 and the expenditures by about £650,000. The increased expenditures have been necessitated by the provision of financial reserves and by additional contributions to the pension fund.

South Africa

PARLIAMENT on March 31 received from the Minister of Finance a budget which revealed that an anticipated deficit of about £500,000 for the fiscal year just ended had been transformed into a surplus of almost exactly the same amount. A bumper mealie crop and a good wool and fruit season accounted for this change of fortune. Had it not been for the seamen's strike the surplus would have been much greater. The revenue proposals for the coming year included no increases in taxation except an additional shilling on the duty of whisky and a slight increase in the tariff on men's imported clothing. On the other hand, the income tax exemption was raised from £300 to £400. The budget on the whole was regarded as a prudent and conservative one. It allowed for a deficit of £138,000 on a total expenditure of nearly £27,000,000.

State-aided and State-controlled immigration was advocated by General Smuts, the Opposition leader, in an important debate on the budget which occurred on April 19. He declared that such a project would deal successfully with the native problem by largely increasing the white population, and urged General Hertzog, the Prime Minister, to discuss the scheme

with the British Government at the Imperial Conference to be held next Fall. General Hertzog, however, declared that he still held the opinion which he had expressed years ago, that it would be folly to bring in whites at Government expense until the Europeans already in South Africa were assured a livelihood.

India

OUTBREAKS of animosity between Hindus and Moslems during the period under review again threw into sharp relief the difficulties under which both British and Indian political leaders work. Among the ignorant masses the Hindu-Moslem feud expressed itself most strikingly in Calcutta where early in April there were riots which correspondents characterized as the worst that have occurred in India in years. As is usual in such outbursts, Moslem mosques and Hindu temples were desecrated and burned, shops looted and business brought to a standstill. Troops were used extensively in the restoration of order and their activities, combined with the pitched battles between the two sections, resulted in the death of more than fifty people and the injury of several hundred more. The troubles were attributed by many experienced observers in part to the increasing tension which has developed of late between the Moslem and the Hindu leaders. An example of this feeling was seen in the debate in the Legislative Assembly during March on the proposal to reamalgamate the Northwest Frontier Province with the Punjab and to extend to it the provisions of the Government of India act. A royal commission reported recommending that the Province should remain a separate unit from the Punjab and proposed the cautious application of the Reformed Constitution. Broadly speaking, the Hindu elements both in the North-West Province and the Punjab favored amalgamation, whereas the Moslems opposed it, the reason being that the latter group were in a small minority in the North-West Province. In the early stages of the debate bitter language passed between the Hindus and the Moslems in the Assembly, although in the end the Government managed to lay out a temporary

course that was accepted by both sides as being fairly satisfactory for the time being. What it did was to decide against judicial amalgamation and to introduce certain minor reforms into the existing régime.

At about the same time that the Hindu-Moslem disorders were in progress in Calcutta, there met in Bombay a conference of representatives of Indian political parties not identified with the Congress Swarajist group for the purpose of forming a coalition party to be known as the Indian National Party. The purpose of the new organization was to obtain Swaraj, dominion self-government, within the empire. To this end the party would employ all peaceful, legitimate means, not including mass civil disobedience or general non-payment of taxes. The Indian press regarded the formation of this new party as an indication of a general desire on the part of the country to work in cooperation with the new Viceroy for the political and material advancement of the people.

Progressive reduction or the final extinction of opium exports from India save for medicinal and scientific purposes was provided for by a Government resolution which passed both houses of the Indian Legislature late in March. The measure provided that in order to carry out the letter and the spirit of the second Geneva protocol on the subject, the Government would reduce annually the exports of opium to all countries and ultimately extinguish them within a definite period. At the present time no opium is exported except under license from the Government of the country of destination, and even then exportation is refused in case the Indian officials believe that the drug would find its way into illicit trade after exportation. With the conclusion of an agreement with the Government of French Indo-China providing for direct licensed sale to that country, India completed a series of treaties with every Government in the Far East to sell no opium for export to their territories except through such Government itself or under its license, thus fixing responsibility for the proper use of the drug. Following the ratification of the agreement with Indo-China it was announced that there would be no further public auctions of opium at Calcutta.

[FRANCE AND BELGIUM]

The French Budget Passed After Long Crisis

Falling Franc Renders Financial Situation Still Uncertain—Breakdown of Negotiations for Peace in Morocco—Malvy Cleared of Treachery Charge—Belgian Finance Minister's Resignation

By CARL BECKER

John Stambaugh Professor of History, Cornell University

THE French budget has at last been balanced after a long and confused political struggle of five months which saw the fall and construction of four Ministries. The Chamber of Deputies voted the Government bill on April 4, and the budget in its final form was approved by the Senate and the Chamber on April 29. At the last moment before the decisive vote on April 4, the Government cleverly avoided another crisis over the question of creating a Government monopoly for the sale of oil in France. The Chamber of Deputies had included this proposal, which provided that the monopoly should be created by ministerial decree. When the bill came before the Senate it was rejected, whereupon the Deputies Commission proposed a compromise to the effect that the monopoly when created should be created by legislative act. This compromise was carried on April 4 in the Chamber by a vote of 330 to 230, Herriot's Radicals joining with the Right to approve it. It was of course hardly a compromise, since the vote left the proposal precisely where it was before any action was taken. In the same manner the proposal to create a sugar monopoly was shelved also.

Finance Minister Péret declared himself well satisfied with the situation. The budget, which is the largest ever voted, provided for an income of 37,535,000,000 francs, with estimated expenses of 37,287,500,000 francs. Of this sum the internal debt will take approximately 58 per cent., the civil service 24 per cent., and the military 17 per cent. Minister Péret said that there was nothing to be alarmed at in the fall of the franc, and in a speech on April 19 he took occasion to

assure the American delegation that arrangements would shortly be made for liquidating the foreign debt of France, it being understood that it should be reduced to the extent of Germany's failure to pay indemnities under the Dawes plan.

The Finance Minister's optimism, however, was generally discounted as a conventional political manoeuvre. The balancing of the budget had little effect on the franc, and the sentiment throughout the country continued to be pessimistic. By some the continued decline of the franc after the budget was balanced was attributed to speculation in foreign exchange, by others to the heavy seasonal buying of raw materials, by still others to the sad political spectacle of the last four months which has left foreign countries with the conviction that the balancing of the budget is only temporary, and the stabilization of the franc difficult if not impossible. This last view was shared by many in France. It was said that the franc had reached the point which was reached by the German mark just before its most rapid depreciation. These apprehensions were not allayed by the notable speech of Joseph Caillaux on April 18, in which he pointed out that the fall of the franc since the budget estimates were made had already taken some of the surplus, and if it continued to fall the budget would soon be again unbalanced. He declared that France had not yet recovered her financial equilibrium, and that if "the Chamber indulges in any of the political gymnastics by which it has distinguished itself in the last seven months the effect will be serious on the international value of the franc."

Some relief is to be expected from the voluntary subscriptions for the sinking fund. The committee of forty prominent



THE UNCERTAIN FRANC

Husband: "Faithless wretch, I know everything."
 Wife: "Boaster! Then tell me what the franc will be worth tomorrow."
 —*Le Rire, Paris*

citizens to receive these subscriptions, headed by Marshal Joffre, has arranged to facilitate payments by opening innumerable receiving stations in all parts of the country. Lists of subscriptions are to be published every five days in the *Journal Officiel*. Money is flowing in from all classes, rich and poor. On April 29, Sir Basil Zaharoff contributed 1,000,000 francs. It is expected that the fund will greatly exceed the amount raised by voluntary subscription during the war, which was approximately 1,500,000,000 francs.

Minister of War Painlevé on April 26 outlined the Government's scheme for a reorganization of the French army and a reduction of the term of service from eighteen months to one year. The scheme contemplated a reduction of the number of divisions from thirty-two to sixteen, the creation of a "territorial army," the recruiting of 15,000 "military agents," and an enlargement of the colonial army to 277,000 troops of all kinds. This reorganization, in spite of the reduction of the number of divisions, would increase the military budget by about 200,000,000 francs. The increase was strongly opposed by the Socialists, while Nationalists objected to the navy cut.

The balancing of the budget, and especially the resignation of Louis Malvy,

turned speculation to the always interesting question of the probable duration of the Briand Ministry. The appointment of Jean Durand to succeed Malvy strengthened the Ministry with the Right somewhat, but lost what little strength it had on the Left. Herriot announced on April 9 that no Government could stand without the support of the Socialists, and toward the end of the month the party committee conference discussed the question of his resigning the Presidency of the Chamber. It was generally understood that an effort was being made to reconstruct the Radical-Socialist and Socialist Left bloc, as a preparation for an attempt to oust Briand and make Herriot Minister. Mean-

time the speech of Caillaux on April 18 was well received by most of the newspapers, who commended him for his sound sense on the financial question, and there was a widespread feeling that Briand's unstable Cabinet would be replaced by a Caillaux Ministry within the near future. Yet Briand has shown himself a past master in tactics; and he may hold his own for some time by keeping the Left bloc divided and relying on the Right Centre groups.

Apart from the financial bill, the program outlined by Briand upon assuming office contemplated a change in the method of electing members of the Chamber of Deputies. This project was taken up before the Senate on May 3 by Jean Durand, who maintained the urgent necessity of re-establishing the system of election by districts (*scrutin d'arrondissement*). The system of election by general ticket (*scrutin de liste*), introduced in 1919, he said, was alone responsible for the intrigues which demoralized political life in France, adding that "if we wish the deputies to be subject to party discipline, if we wish the parties to concern themselves less with party conflicts and more with the true interests of the country, we must at once return to the principle of majorities, the essential principle of democracies. * * * Other democratic reforms depend on this one."

The French offensive in Syria started in the early days of April, but nothing decisive was effected, and indeed toward the end of the month the Druses appeared to have the best of it. All interest in the Colonies during the last month has, in fact, centered in Morocco rather than in Syria. On April 6 it was learned that an agent of Abd-el-Krim visited the French headquarters and announced that the Riffian chief was ready to treat for peace. The Spanish Government evidently thought the time was premature, probably because the Spanish are in a better position for military defense than the French. But on April 7 Premier Briand had a conference with the Spanish Ambassador, the result of which was a notification to Abd-el-Krim that both the French and Spanish Governments were ready to receive his delegates. It appeared that the French expectation was to use the olive branch and the sword in the effort to persuade the various tribes to desert Abd-el-Krim and to make their peace separately. The plan was to treat with the Riffian chief only as Caïd of the tribe of Beni Ouriaghel, and with each of the other tribes separately, in the hope that, by offering to the others restoration of flocks and herds and other advantages, it might be possible to break up the Riffian combination.

With these objectives in mind the French and Spanish Governments appointed peace commissions, General Simon being the head of the French Commission, to meet the Riffian delegates at Oudja on April 16. It was understood that the main points of the instructions to General Simon were that Abd-el-Krim should leave the Riff, at least for a time; that prisoners should be exchanged immediately; that the tribes should agree to "submission" to the Sultan of Morocco; and that as a preliminary of the negotiations the French and Spanish troops be permitted to advance from five to seven miles in order to hold certain important points. On April 18 the Commission met the Riffian delegates for preliminary discussion at Taourirt near Oudja. It appeared that the Riffian delegates all really represented Abd-el-Krim, and that the shrewd Azerkane, brother and "foreign minister" of Abd-el-Krim, was the chief of the delegation. He informed the

French and Spanish Commission that the Riffian delegation had no authority to assent to the preliminary demands made with respect to the exchange of prisoners and the military advance. The negotiations were thus delayed several days in order to obtain instructions from the Riffian chief. When these were at last obtained on April 21, it appeared that Abd-el-Krim was not willing to agree to the military advance, or to the immediate exchange of prisoners. He said that prisoners should be exchanged when the peace was made, and that to allow the French and Spanish to advance the military lines would leave the Riffian forces at a great disadvantage in case the negotiations should fail. The preliminary discussions at Taourirt were therefore abandoned. The formal peace conference was opened at Oudja on April 26. This was thought to be a diplomatic victory for the Riffian chief, since all the questions were thus thrown into the conference for discussion, and it was quite apparent that the French and Spanish delegations were now dealing with a united Riff and not with the tribes separately. The persistent official statement that the French and Spanish Governments were in complete accord did nothing to dispel the constant rumors that there were serious differences between them, both with respect to the desirability of negotiations at this time and in respect to the points at issue. However that may be, on April 26 General Simon formally presented the demands of the Commission. In subsequent discussion of the points presented, no agreement was reached. The Riffian delegates held to their position on the two points of the exchange of prisoners and the advance of the French and Spanish military forces, in spite of the fact, which transpired on April 27, that the French forces had already made the advance, and that the Spanish were preparing to follow suit. Difficulties also arose over the details of the disarmament, while the question of what should be done with Abd-el-Krim was hardly touched upon.

The only point on which there was ever an approach to agreement was the matter of recognizing the Sultan; and even on this point the Riffian delegates declared that they could not agree to the use of the

word "submission." The phrase they would be willing to agree to was "the recognition of the spiritual and temporal power of the Sultan." In the course of the discussion serious differences also developed over the question of "autonomy."

On April 30 the discussion reached an impasse. On May 2 the Riffian delegation was presented with an ultimatum, to the effect that the Spanish-French terms must be accepted by May 6, otherwise military operations would at once be resumed. Azerkane, the leader of the Riffian delegation, informed the press representatives that the ultimatum would almost certainly be rejected by Abd-el-Krim. On May 6 negotiations were finally and officially broken off. The Riffian delegates departed for Abd-el-Krim's headquarters and the French and Spanish authorities made ready for the military operations by which they hoped to force the peace settlement which negotiations failed to obtain.

The French press was generally critical of the agreement with the United States for the settlement of the war debt. Some papers regarded it as a hard bargain even from a strictly business point of view.

France and Germany reached an agreement on April 14 which permits the aircraft of either country to fly freely over the other, the result of which has been to facilitate rapid travel in Europe. On April 10 the French and German potash industries renewed for seven years the agreement signed in May, 1925. So far as the exports to the United States are concerned, the arrangement of last year remains unchanged, France having 30 per cent. and Germany 70 per cent. of the exports; but in other countries the French share is by the present arrangement to be increased annually until it equals that of Germany.

Louis Malvy was cleared of the old charge of being the confidant of Mata Hari, who was executed as a German spy in October, 1918. The charge at the time was that the ardent letters written to the woman were written by a "Cabinet Minister whose name begins with an M and ends with a Y"; and it was supposed that Malvy was the man, and that he was therefore responsible for the disaster of the Chemin des Dames. This old charge has

never been disproved (was never proved in fact either), and recently Malvy was bitterly attacked in the Chamber on this old matter, the result of which was that he suffered a nervous breakdown and resigned from the Ministry. On April 19 there was made public a letter from General Adolph Messimy admitting that it was he who wrote the letters to Mata Hari. This late act of generosity should forever clear Malvy from the undeserved and unproved charges which have so long discredited the integrity and the patriotism of an able public servant.

The Duke of Guise, who recently became Orleanist pretender to the French throne, has accepted the conditions of exile which are imposed on the holder of that title. That the Royalist movement is not regarded very seriously in France is evidenced by a leading article in *Le Temps* on April 7, urging the repeal of the exile law against him. Prince Victor Napoleon, the Bonapartist pretender, died in Brussels on May 3 at the age of 64 years. His 12-year-old son, Prince Louis Napoleon, succeeded him as head of the house of Bonaparte under the "regency" of his mother.

Belgium

ALBERT JANSSEN, Minister of Finance, resigned on May 6, his decision having been taken the day before after similar action by Henri Carton, Minister of Colonies, and Baron Edouard Rolin-Jacquenot, Minister of the Interior. One result of M. Janssen's withdrawal from the Ministry was a further decline of the Belgian franc.

A news despatch from Brussels on May 6 regarding Belgium's proposed return to the gold standard and the failure to raise the stabilization loan of \$150,000,000 stated that the British and American bankers with whom negotiations had been carried on never demanded from the Belgian Government collateral of any kind, nor even suggested a pledge of the Belgian Railways, Congo assets or other Belgian property. It was also stated that M. Janssen's resignation was due to the general public view that he had been ineffective in handling these large problems of Belgian finance.

Move to Confiscate Former Rulers' Property

*Experts' View of Reich's Inability to Maintain Reparation Payments—
1,884,000 Workers Unemployed—Austria in New Tariff War—Franz
Ferdinand's Scheme for a "United States of Greater Austria"*

By HARRY J. CARMAN

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ON April 12 it was announced that Chancellor Luther's Russo-German trade project had been abandoned, partly because German bankers demanded almost 11 per cent. interest for discounting Moscow's acceptances of drafts based on Soviet orders for German goods, and partly because the American financier, W. Averell Harriman, at the request of the United States State Department, abandoned his project for helping finance German export trade with Russia. A high rate of interest, the Berlin bankers declared, was necessary on account of the inadequacy of the Russian pledges to pay. The Harriman withdrawal was made after Secretary of State Kellogg and Secretary of Commerce Hoover had both voiced their disapproval. Had Mr. Harriman's proposition gone through, sums sufficient to cover the risk borne by the exporters themselves—40 per cent. of the total of exports to the value of \$100,000,000, of which 60 per cent. is insured by German Federal and State Governments—would have been forthcoming from America. Consequently the German bankers would merely have had to provide their endorsements on the Russian acceptances, but not cash them, and would therefore have been able to reduce their interest charges to a figure acceptable to the Soviets.

The Reich Election Commission announced on April 14 the official figures of the country on the Socialist-Communist referendum proposal for the confiscation, without compensation, of the property of former ruling houses. The total number of signatures in favor of the proposal was 12,523,939. The sponsors of the confiscation bill had to obtain only four million signatures (one-tenth of the votes cast at

the last Presidential election) in order to get the bill placed before the Reichstag and, if not adopted there without amendment, before the country for decision by referendum. They actually obtained 31.8 per cent. of the votes at the Presidential election. The total showed that the Socialists and Communists obtained at least 2,000,000 signatures from members of other parties.

In submitting the confiscation bill to the Reichstag in accordance with the preliminary plebiscite the Cabinet appended a declaration charging that "confiscation without compensation of the entire possessions of the rulers as demanded in the bill runs counter to the principles which must underlie every legislative act in a State founded upon law." It furthermore announced the Government's determined opposition to the passage of the bill on the ground that the private property rights of the former ruling families must be held inviolate. But the Government did not stop here. It continued its efforts to frame a compromise measure which would be acceptable to the Socialists and the Communists and others who demand expropriation, and the conservatives who desire to have the State courts continue to settle the claims of the ex-rulers. Finally such a bill, providing for a special court of four Judges and four laymen, was submitted to the Reichstag Judiciary Committee on April 27, but it got no further, as the committee adjourned when the Democrats proposed that the royalist claimants be given pensions which would allow them a comfortable living, and that their castles, art galleries and land be expropriated by the State. The Socialists' and Communists' proposals were rejected by the Reichstag

on May 6 by a vote of 242 to 236. According to the Constitution a plebiscite on the question must be held within five weeks.

Despite the vehement opposition of the banking and industrial classes and the Government, creditors are waging a fight for higher valorization terms, even going so far as to propose a popular referendum on the matter. The present valorization law does not go far to meet the claims of inflation victims. Holders of depreciated paper would authorize valorization at the rate of 50 per cent. of the gold mark value. Under the present law the rate varies from 1 to 5 per cent., except in the case of mortgages which, in exceptional cases, can be valorized up to a maximum of 25 per cent.

On April 18 it was announced that the Court of Appeals had rejected the plea in the test case brought by an Italian citizen that the republic must valorize imperial pre-war loans to 100 per cent., on the ground that the valorization law of July, 1925, did not apply to foreigners. The court decided that the loans were subject exclusively to German law, which makes no exception in regard to foreigners.

According to a comprehensive survey of Germany's industrial and financial condition, prepared by the American section of the International Chamber of Commerce and based largely on the information contained in the reports of German experts and statements of S. Parker Gilbert, the Agent General of Reparations, the Reich is staggering under the Dawes plan. The report says:

The future maximum burden of reparations will admittedly weigh heavily on the German nation, the more so as its successful payment to creditor countries will depend for the most part on the maintenance of a large export surplus, which was not a natural feature of pre-war Germany's international trade. To attain this surplus means restriction at home, such as low wages, low costs of production, increased industrial efficiency and a contracted internal market. For it is only by these means that Germany can recapture and increase her foreign markets, which is exactly what the Reich must do if reparations are to be paid. Latest word from Europe indicates that this process is in motion, for it is now anticipated that the Dawes payments for the second annuity year will be made entirely in deliveries in kind. The test year, however, will not come

until 1928-29 and there is much authoritative opinion both inside and outside Germany to the effect that the second annuity year represents about the limit of reparation capacity, not only because it marks Germany's maximum export surplus, but likewise because it is the limit of the Allies' willingness to receive payment in goods by way of deliveries in kind. Whether or not this is true can only be decided by future experience.

The report states that Germany is making efforts to regain her lost foreign trade with Latin America and other nations. Germany's debt burden, including liabilities under the Dawes plan, is put at less than \$15,000,000,000, as compared with a total Government debt of the United States of slightly under \$21,000,000,000. Great Britain's debt is put at \$34,000,000,000 and that of France, by the exchange rate of Dec. 31, 1925, at more than \$19,000,000,000.

During the full fiscal year which ended March 31 proceeds of taxation were 5,856,103,412 marks, which compared with 6,343,750,000 as estimated in the original budget and with 6,770,500,000 in the subsequent revised budget estimate.

The Cabinet announced that the new general tariff, which is to replace the Buelow tariff of 1902, would not be ready for submission to the Legislature this year. Strong influences are being brought to bear with a view to making the new tariffs highly protectionist. The Food Ministry created something of a sensation by declaring that the breadstuffs duties, which were reimposed last year, were insufficient to protect agriculture and, therefore, would be increased. The view commonly taken was that this would involve a counterdemand for increase of the industrial duties.

Cautious optimism about Germany's economic revival was characterized in a speech delivered by Chancellor Luther in Berlin on April 28. The disclosing of the thorns remaining to aggravate the Reich's relations abroad, notably the continued occupation of the Rhineland and the suppressing of the ill-timed attempts to force an irrational valorization of pre-inflation securities by a popular referendum, were cited by the Chancellor as the foremost need of the hour. Germany's trade bal-

ance, the Chancellor said, showed improvement, German exports having risen steadily during the past few months. He further pointed out that Germany's share of world trade, which in 1913 represented one-eighth of the total volume, remained throughout 1925 at only one-fourteenth.

According to a report submitted to the United States Department of Commerce by Douglas P. Miller, Assistant Commercial Attaché at Berlin, Germany is steadily recovering her foreign markets.

The unemployment situation showed little improvement during April. According to official figures made public on May 2 there were 1,884,000 unemployed workmen on April 15, against 1,942,000 on April 1.

The first big drive in the prohibition movement in Germany met defeat by a narrow margin at the hands of the Reichstag Budget Committee on April 28 when a local option law, fostered by Socialists and Communists, was rejected by a vote of 16 to 12. Two women Deputies of the Democratic and Catholic Centrist Parties voted with the radicals.

August Thyssen, patriarch of the Ruhr Industrialists, died on April 4 at his Lindsberg Castle, near Muehlheim. He was 84 years old. Sometimes called the father of the vertical trust, Thyssen was one of Germany's greatest industrialists, a coal and iron master who earned for himself the sobriquet of "King" Thyssen, ruling over the destinies of more than 70,000 employees. He left a fortune estimated at \$100,000,000.

Professor Fritz Rausenberger, inventor of the "Big Bertha," the long-range gun used to bombard Paris during the World War, died in Munich on April 30.

The Luther Cabinet on May 5 decided, after much opposition but with President von Hindenburg's approval, that the German Diplomatic, Consular and other Government offices abroad should use the old imperial colors of black, white and red alongside the black, red and gold of the Republic.

Austria

THE first skirmishes of what threatened to be a bitter tariff war in Central Europe took place during the month un-

der review. Rumania advanced some of its duties as high as 600 per cent., much to the detriment of the Austrian metal industry. Bulgaria, without waiting for Parliamentary action, put a high tariff in force by executive decree. As a result the Austrian Government, which had rather leaned in the direction of free trade, introduced revised tariffs raising all duties about 25 per cent. Some of the proposed increases were designed as weapons for use in trade negotiations with Germany and Czechoslovakia; others fulfilled the wishes of Austrian farmers for increased duties on cattle, butter, hogs, grease, rye, milk and frozen meat. The proposed increase in duties on dyes, petroleum and oil products was particularly heavy. The Social Democratic Party opposed the increases; financial circles also registered opposition on the ground that once the tariffs on agricultural products were even tentatively raised Austrian landowners would resist their reduction and thus hamper the negotiation of future treaties with neighboring States and increase the cost of living.

Many leading Austrians also fear that this tariff war will injure Austria's foreign industrial trade and in consequence increase unemployment. At present there are not fewer than 250,000 unemployed. This number includes not only unskilled and semi-skilled workers, but former officers of the Habsburg army and navy, officials of the old empire and unfortunate bank clerks, the victims of mushroom finance of inflation days. The number of working women has greatly increased in Vienna, according to statistics issued in late April. Four-fifths of all married and unmarried women between the ages of 18 and 45 are engaged in some gainful occupation. Competition with men is greatest in intellectual and clerical work. Compared with the pre-war period, the number of women employed by banks had quadrupled, those on the railroads tripled, and those in postal telegraph and telephone work doubled. The teaching profession and dressmaking trade now are more than half feminine. Domestic service is the only employment showing a decrease; the number of servant girls now is one-third less than in 1910. This is largely due to the present poverty of most middle-class fami-

lies and the heavy taxes the Socialist municipality levies on those having more than one servant. The Rothschilds, for example, pay more than \$75,000 yearly tax on personal servants.

Transformation of the Austrian Empire into a "United States of Greater Austria" was the policy Crown Prince Franz Ferdinand, assassinated at Sarajevo, meant to follow when Emperor, according to his intimate counselor Baron Johanne Eichhoff, who last March 28 published in the Reichspost the text of a document Ferdinand drew up two months before his death as a manifesto to be published as soon as he mounted the throne. He planned to divide the polyglot empire into self-governing States on the American model, but along nationalist lines, giving the same measure of autonomy to Germans, Hungarians, Czechoslovaks, Poles, Ruthenians, Rumanians, Croats and Italians. They would combine to form a central government which would retain rights similar to those of our Federal Government, such as

control of the army, navy, foreign policy and currency. No tariff boundaries would have been allowed between the States of the empire, which would continue under the Habsburg crown, remaining a free trade area. The publication of his project may help the movement for a Danube customs union.

A penny rise in the price of beer by the brewers on April 26 resulted in a dealers' boycott lasting four days.

It has been announced that at the June session of the League of Nations the Austrian Government intends to demand restoration of freedom to raise public loans after discontinuance of the international finance control. According to the Neue Freie Presse, the plan contemplates the raising of a large loan secured on the Federal Railways, the proceeds to be used for reconstruction purposes. Consent of the Reparations Commission and of the thirteen so-called "relief States," including the United States, will be required before this arrangement can be made effective.

[ITALY]

Mussolini's Narrow Escape From Assassination

*Spectacular Visit of Duce to Tripoli—Birthday of Rome Celebration
Marked by Intense Enthusiasm—Drastic Steps Taken to Suppress the
Mafia in Sicily*

By ELOISE ELLERY

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INTEREST in Italy during the month under review centred about three dramatic events: the attempt on the life of Premier Mussolini, his spectacular visit to Tripoli, and the celebration of the birthday of Rome. Great excitement was caused throughout Italy by the narrow escape of Mussolini from assassination. On the morning of April 7, as he was leaving the International Congress of Surgeons, whose meeting he had just addressed, he was shot at by a woman in the crowd about his automobile and wounded in the nose. In spite of the fact that the revolver was fired at close range, he was but slightly in-

jured. To the great admiration of those about him he maintained perfect composure and was able to direct measures for the safety of his assailant, who had meanwhile been rescued from immediate danger from the mob, and for the preservation of order.

As the news of the attempted assassination spread, excitement rose to a high pitch. Fascist groups immediately rushed to the plants of several Opposition newspapers and either wrecked or burned them; congratulations on his narrow escape poured in from all sides and crowds of young men paraded the streets shouting imprecations

against attacks on the man "who saved Italy."

The assailant proved to be a Miss Gibson, of an Irish family, the sister of Lord Ashbourne. The fact that she was a British subject led the authorities to keep watch over the foreign residents as a measure of protection against those who might connect the deed of Miss Gibson with criticism of the existing Italian régime made by people of certain foreign countries. According to the *Tribuna*, the attack was "a typical sequence of the campaign conducted by subversive anti-Fascists and clearly showed how this wicked campaign stopped at nothing to attain its goal." But as further investigation proved that Miss Gibson was a person of eccentric habits and apparently disordered mind, there was a growing feeling that the attack might be entirely without political significance.

In spite of his wound, Premier Mussolini insisted on continuing his program for the day, which included the installation into office of the new directorate of the Fascist Party. In the afternoon he appeared with bandaged face on a balcony of the Palazzo Chigi and addressed the throng densely packed in the square below, in a speech reported as follows:

I want you to hear the sound of my voice in order that you may be convinced that it has not changed in the slightest degree. I can also assure you that my heart is beating no faster. In saying this I am praising all of you, for I consider myself as belonging to your generation—that is to say, to that Italian type which is never afraid, but which always marches straight ahead along the path marked out for it by fate. I want to thank you for this spontaneous demonstration. This enthusiasm of yours shows that the present régime is firmly established in your hearts. It is a part of fate that after victory all along the line and the putting to confusion of all opposition, there should remain some slight danger. This danger, I assure you, I meet with complete indifference. One thing is certain: that nothing and no one, with weapons open or concealed, can stop the march of triumphant Fascism. Just as on another occasion several months ago I thanked the people of Rome, whom I adore, for their applause, so now I thank you and tell you that there must be no further demonstrations of any kind. You are to obey this second command after the manner of Fascists. No danger threatens the present régime. (A voice from the crowd: "How about the danger from abroad?") I will take care of the danger from abroad. If this is what you wanted to hear, you have heard it. Go now and do what I have told you to do and what I have ordered. Long live Fascism.

This demonstration in Rome was followed by similar outbursts of enthusiasm throughout Italy, which were characterized by foreign observers as "manifestations of delirious joy" and adduced as evidence of the strength of the hold which Premier Mussolini has upon Italy.

The day after the attempt upon his life Mussolini started upon his voyage to Tripoli. This trip was of special import as the first visit of its kind of an Italian Premier to the colonial possessions in Africa. It was interpreted by the press as having both a national and an international significance. Internationally its purpose was to impress upon the world the unity of Italy as a great power conscious of its needs. Nationally its end was threefold: to check the spirit of petty regional bickerings within the Fascist party by putting national issues above local and personal ones, to create "a colonial conscience" and to further interest in Tripoli as a field for investments for capitalists and as an outlet for emigration.

With these purposes in view the enterprise was carried out in spectacular fashion, with much pomp and circumstance. Accordingly, on April 8, Mussolini embarked on the dreadnought Conte di Cavour, followed by several units of the Italian fleet and escorted by numerous escadrilles of seaplanes. Many newspaper correspondents went with him in order to give the event the greatest possible publicity, and all the provincial Fascist secretaries accompanied him as far as Gaeta. Just after his embarkation he addressed the assembled company as follows:

I have deliberately wished this ceremony to occur on a battleship, for various reasons:

First, because I wish you to render homage to our glorious navy, whereon our best hopes for the future are founded.

Second, because I wish you to become familiar with these instruments of war.

Third, because I wished your inspirations and spirits should be expanded on this ship.

Fourth, because I wish you on returning home to act in such a way as to reawaken the sailors' conscience among the Italian people.

We are a Mediterranean people, and our destiny, without copying any one, always has been and always will be on the sea.

Meanwhile Tripoli prepared to give Mussolini an imposing welcome, which included the sending of six battle planes

over the desert 400 kilometers inland to carry the news to the unpacified tribesmen. This stay lasted five days, during which Mussolini held spectacular reviews of Italian and colored troops, visited the excavations of the ancient Roman city of Sabratha and of Leptis Magnus and made a trip into the interior, where he inspected the progress of Italian colonists and laid the cornerstone of a building for a great exporting firm. His speeches and messages, like his itinerary, emphasized two things: the glories of the past in the Roman Empire and the possibilities of the future.

Speaking to an agricultural congress and to a military club, he declared:

We are a prolific nation; we intend to remain prolific. The nation is hungry for land; we must work now, always, with both faith and adequate means.

The other half of his message he delivered before the Military Club, where he told the officers they must be ever fully disciplined and prepared. "For," he added, "no one knows when the moment will come that needs you. History waits for no one."

Such utterances, combined with the recent emphasis of the Fascist press on the conception of the Mediterranean as an Italian sea, aroused expressions of apprehension in the foreign press as to Italy's aim. For example, on April 8, *L'Impero* published the picture of a great battleship preceded by a seaplane. The mast of the ship was in the form of a head of Mussolini backed by long-range guns. The legend ran "There is no assassin's hand that can stop the great ship of the new power of Italy in its course toward its great destiny." This apprehension concerning the interests of other countries Mussolini sought to allay by issuing, just before he set sail for Africa, the following statement:

My voyage to Libya contains no menace. Despite the pageant presented by our warships, my voyage is merely a matter of prestige. We wish to concentrate our attention on our colonies, to make them better known, better appreciated,

better developed. But I refer only to the colonies we possess.

Mussolini returned to Rome from Tripoli on April 17. He was received with wild enthusiasm.

The importance of Italy's colonies was further emphasized a few days later by the celebration instituted by Mussolini of a "Colonial Day." The reputed birthday of Rome, April 21, was selected as the time for this celebration. Labor Day, which used to be celebrated on May 1 and which was often accompanied by manifestations of class hatred, was transferred to this date with the apparent idea of emphasizing the idea of class collaboration. Thus on the same day, the 2,679th anniversary of Rome, the Italian people were reminded of their present unity, of the possibilities of colonial development and above all of the glories of the Roman Empire.

On the same day on which the attempt was made to assassinate Mussolini occurred the death of Signor Giovanni Amendola, one of the former leaders of the Opposition. He was Italy's War Minister in 1922 and later Minister of the Colonies. His death was reputed to have been due to Fascist violence and to have resulted directly from a severe clubbing which he received a year ago.

Mussolini recently took drastic steps to drive out from Sicily the secret society known as the Mafia. This society, which developed early in the last century in a worthy effort to secure justice under a cruel and inefficient foreign rule, later became a political, selfish and then criminal "Black Hand" organization.

The Cabinet Council on May 3 approved a measure instituting what is called the "Ministry of Corporations" or, in other words, the Ministry of trade union corporations. It is proposed to make this a Department of State of first rate importance.

The Council also approved the withdrawal of the right hitherto enjoyed by the banks of Naples and Sicily to issue bank notes. This leaves the right exclusively with the Bank of Italy.

Pangalos Installed as New Greek President

National Elections in Greece—New Charges in Hungary in Counterfeiting Case—Fall of Skrzynski Cabinet in Poland—Rumania's New Premier, General Averescu—Raditch Forces Cabinet Reorganization in Yugoslavia

By FREDERIC A. OGG

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Bulgaria

ARRANGEMENTS have been made for the rebuilding of the Sveti Krai Cathedral, in Sofia, which was wrecked by the explosion of a bomb a year ago last month with a loss of 150 lives. The church authorities offered a prize for the best design for the new edifice, and the award was made on May 1.

The Communist leader Kabaktchiev, who was a member of the Central Committee that organized the risings of September, 1923, was arrested on April 5 as he was about to cross the frontier into Yugoslav territory, in company with another Communist who was one of the authors of the cathedral bomb outrage. He had spent two years in prison, but had been set at liberty under the amnesty voted by the Sobranie.

Czechoslovakia

DR. RAMEK, the Austrian Chancellor, paid a two-day visit to Prague March 30-31 on his way back from Berlin to Vienna, thus returning the visit paid to Vienna earlier in the month by Dr. Benès on the occasion of the signing of the arbitration treaty between Czechoslovakia and Austria. The Chancellor's presence was cordially greeted in the press. It was favorably commented on that during the Chancellor's stay in the German capital all allusions to Pan-German aims—one of which is the *Anschluss* (the union of Austria with Germany)—had been scrupulously avoided.

Although generally regarded as only an interim Ministry, the Cerny Government, formed last March to succeed that of M. Svehla, has remained in office since. An

important development in Czechoslovak politics is that the various minority groups, especially the Germans, have so far given up their policy of intransigence that the question of Government coalition, including both Czechoslovaks and Germans, to succeed the old exclusively Czechoslovak coalitions is now being actively discussed. This change of attitude is proof of a growing feeling that the new order has come to stay and that, therefore, the minority elements, which for seven years have held aloof, must, in their own interest, modify their tactics. In a statement published early in April the leader of the German Agrarians made it quite plain that any decision of his party to cooperate with the Czechoslovaks in the work of government would be inspired only by purely practical considerations of self-defense, and not by sentiment. But even at that it would mark a gain for national unity and morale.

Greece

THE abrupt resignation of Admiral Con-
douriotis as President of the Republic on March 19 precipitated a national election. The campaign began as a contest between General Pangalos, who as Premier had for some months been the practical dictator of the country, and M. Constantine Dimertji, a former Minister of Marine, whom the various parties, both Monarchist and Republican, agreed almost unanimously to support. Ex-Premier Venizelos, from Nice, positively refused to sanction any use of his own name in the campaign.

Under normal conditions, M. Dimertji should have won with no difficulty, but the election was held under such circumstances as to assure General Pangalos's victory. While the election was originally

set for April 4, the Government, on the plea of the impossibility of completing electoral arrangements in twenty-three provinces, of the total thirty-five, announced on April 3 that the polling in those provinces would be postponed for a week. The party leaders thereupon advised their supporters to abstain from voting, in protest, and they went through the formality of withdrawing their candidate from the race.

At the polling in twelve provinces on April 4 General Pangalos received about 90 per cent. of the votes cast. He and his friends declared that this heavy majority was to be explained not by the abstention of opposing elements (it was contended that the vote was really a heavy one), but by the complete loss of confidence of the electorate in the party leaders and in parliamentarism itself.

With Pangalos as sole candidate, the polling was completed on April 11, and, as on the first occasion, he received about 90 per cent. of the votes cast. Announcing that he would continue in the office of Prime Minister as well as President until the meeting of Parliament, the victor, on April 6, issued a "Constituent Decree" modifying the Constitution so as to permit the President to dissolve the Chamber at any time before the expiration of its term of office, and once during each session to ask a vote of confidence in the Government, no motion being allowed to be made for a vote of censure against a Government which has obtained a vote of confidence in the same session. In a statement to the press on April 7 the Premier-President described the results of the election as a "popular revolution" conferring upon him a unanimous mandate to perpetuate a state of tranquillity.

The installation of the new President took place at the Cathedral in Athens on April 18. The event was marked by the liberation of all political prisoners and journalists accused of attempting sedition, including ex-Premier Papanastasion and General Condylis, former Minister of War. It was announced also that, dating from April 19, the dictatorial powers assumed by M. Pangalos early in January of the present year would be renounced.

The Gennadien, the building specially

constructed to house the library which Joannes Gennadius, for many years Hellenic Minister to Washington and London, presented to the American School of Classical Studies in Athens, was formally dedicated and opened on April 23. Americans in attendance included Mr. Edward C. Loring of Boston, Chairman of the Board of Trustees of the school; Professor Edward Capps, Chairman of the Managing Committee of the school; Dr. John H. Finley of The New York Times, President Henry S. Pritchett of the Carnegie Foundation, and representatives of some seventy American colleges and universities. The library becomes an American institution under American administration, open to scholars of every nation on equal terms.

Hungary

ATTACKS continued to be leveled against the Bethlen Government on the ground that some of its members, including the Premier himself, were cognizant of, if not directly involved in, the counterfeiting affair. On April 21 the Premier admitted that he had learned of an attempt to counterfeit francs in 1922 through ex-Premier Teleki, but he reaffirmed that he had then turned over the affair to the Chief of Police, M. Nadossy, ordering him to stop it. Tumultuous scenes were enacted in Parliament on April 20, when Marquis Pallavicini, one of the Legitimist Deputies, returned to the charge that M. Rakovsky, Minister of the Interior, was implicated in the plot and demanded that he should himself be called to testify at the trial, promising to make more sensational disclosures than before Parliament.

Much controversy arose also over the status of secret societies, especially the Nationalist society, known as the Tesz, widely believed to have been behind the counterfeiting affair. Premier Bethlen denied that members of his Cabinet belonged to such organizations, which he declared his intention to suppress; but his opponents refused to concede that he was sincere in the matter.

Feeling that as a result of the counterfeiting episode the Government was on the defensive and therefore less likely to make trouble than heretofore, several important

political exiles returned or were understood to be preparing to do so. Among those that came back were Martin Lovaszy, a Minister in the short-lived Government headed by Count Karolyi and for years a refugee in Austria and Yugoslavia.

According to a recent statement by Count Bethlen, about 1,250,000 acres of land had been distributed under the Land Reform act of 1920, and the number of holders of land in Hungary at the end of 1925 was about 340,000, as compared with only 620,000 in the much larger pre-war country of 1913. He predicted that the final distribution would reach 1,650,000 acres.

At a convention held in Budapest in April the Hungarian Agriculturist and Labor Party, uniting the old League of Small Landholders with the Hungarian Labor Party, was organized, with a program calling for freedom of organization, democratic agrarian reform, and legislation aimed at reducing unemployment. In an agricultural country like Hungary such a party is expected to make a strong showing.

The decline in the cost of living, which had been under way for more than a year, was still uninterrupted up to April 1.

Poland

THE Cabinet headed by Count Alexander Skrzynski, which assumed office last November, resigned on April 21 because of a split in the Government coalition on the financial reform scheme of Finance Minister Zdziechowski. Two Socialist Ministers having surrendered their portfolios, the Premier considered that the Cabinet would not henceforth have adequate support from the Diet. The resignation was accepted by the President on May 5, only after Count Skrzynski had failed in his attempts at rebuilding the coalition. Ex-Premier Vincent Witos thereupon undertook to form a new Cabinet, which was finally announced on May 10. The present Government, which retains most of the members of the preceding Ministry, is as follows:

M. WITOS—Premier.

Senator SMULSKI—Interior.

General MALCZEWSKI—War.

M. ZDZIECHOWSKI—Finance.

M. MORAWSKI—Foreign (temporary change)

M. OSIECHI—Commerce.

LADISLAS KIERNIK—Agriculture.

M. RADVAN—Land Reforms.

STANISLAS GRABSKI—Education.

M. CHANDZYNSKI—Railways.

M. RYBZYNSKI—Public Works (temporary change).

M. JANOWSKI—Social Welfare (temporary change).

M. PIECHOCKI—Justice.

Two outstanding developments in foreign relations were Premier Skrzynski's visit to Vienna on April 15-16, for the purpose of signing a new arbitration treaty with Austria and opening negotiations for improved trade relations, and the publication on April 20 of the Polish-Rumanian treaty signed in Bucharest on March 26. Through closer relations with Austria, Poland hopes to have Vienna become the intermediary between Warsaw and Berlin in settling the differences between them. At the same time, she aims at weakening the movement for Austrian union with Germany by encouraging Vienna to look forward to a recovery of prestige and power as the capital of a permanently independent State. In both of these purposes she has the cordial support of Prague.

The Warsaw Government was reported to be willing to sign a treaty with Russia, but not on the terms which the Moscow authorities had offered. The Polish Premier had not repaid the visit of the Soviet Foreign Minister, George Tchitcherin, made last Fall.

The Polish Press Bureau deduces from the German statistics relative to trade between that country and Poland that the tariff war which has prevailed for the best part of a twelvemonth has resulted in more injury to Germany than to Poland.

Rumania

ALTHOUGH his party has only seven seats in Parliament, General Averescu, upon his appointment as Prime Minister on March 30, formed his Cabinet on a strict party basis, without resorting to coalition with other groups.

The King's choice, while not wholly unexpected, roused strong popular feeling, and it was considered that the dynasty, and indeed monarchy as an institution, already rudely shaken by the events of the

past four months, would be still further weakened. The new Ministry, composed in part of uninfluential men who hurriedly joined Averescu's People's Party in order to qualify for their posts, was unimpressive, and the Premier himself was regarded as only a puppet in the hands of the retired Premier, Bratiano.

On April 8 Bucharest was placarded with high-sounding announcements of the new Government's program. On the side of foreign relations, a policy based on "conciliation and moderation, with alliances closer and as numerous as possible," was to be accompanied by a settlement of the Bessarabian question on the basis of the present frontiers. Economic plans envisaged the collaboration of foreign capital, the repeal of the former Government's measures crippling exports and imports, stabilization of the currency, improvement and construction of railways, agrarian reform, and equitable solution of the war debts problem. The Government further promised higher salaries for Government employes and "brotherly treatment of minorities."

Separate statements by the new Minister of the Interior, M. Goga, promised a "new era" for Bessarabia, and it was announced that the Premier (who was born in Bessarabia) would soon make a tour of inspection through the discontented provinces. Notwithstanding, however, that the Bessarabians were permitted to celebrate Easter according to the old Greek calendar, they received the Government's promises with incredulity, regarding them only as expedients designed to catch votes in the region where the Peasants' Party, Premier Averescu's principal danger at the polls, was strongest. This feeling was deepened in the middle of April by the declaration of the new War Minister, General Mirescu, lately Military Governor in the disaffected area, that it would be unwise to rescind the state of siege in Bessarabia before the elections, and that whether it would seem wise afterward would depend partly on the result of the vote.

A report of April 9 that ex-Crown

Prince Carol was attempting to return to Rumania by way of Hungary proved erroneous, but later dispatches from Paris, where the young man had been staying, indicated general expectation that he would return at an early date and would be permitted to resume his rights of succession.

Yugoslavia

AFTER the resignation of the Pashitch Cabinet on April 5, the King asked the former Radical Minister, Nikola Uzunovitch, to make up a Cabinet, which was installed on April 8, proving indeed to be the old Cabinet to a man except in the case of the Premier. Its fragility was shown, however, on April 12, when the Croatian leader, Stephen Raditch, who had been responsible for the earlier upset, forced the resignation of the Minister of the Interior, M. Miletitch, on charges of corruption in the department.

This, in turn, was followed by a resignation of the entire Cabinet on April 15, and its immediate reconstitution under Uzunovitch, the object of the manoeuvre being to eject Raditch after his refusal to resign alone. Advantage was taken of the opportunity to drop two other Croatian Ministers, although two also remained in the reconstituted group. Thereafter the break between the Serbs and Croats grew apace, Raditch, now freed from such slight restraint as official position had imposed upon him, returning with zest to his old-time warfare upon the "corrupt Serbian Government," and charges flying thick and fast that he was being financed from Moscow.

The *Zagreb Tageblatt*, on April 21, published a lengthy document charging that the Standard Oil Company was implicated in the official corruption alleged to exist in Yugoslavia, and on the following day papers at Belgrade published the text of a letter from A. W. Walker, manager of the company at the capital, to the American Minister, Percival Dodge, complaining of the attempts of Yugoslav officials to blackmail the company on charges of falsifying tax returns.

[RUSSIA]

Soviet's Campaign for National Economy

*Serious Congestion of Goods Due to Lack of Fuel and Transport Facilities
—Measure to Check Outflow of Foreign Exchange—Russia's Foreign
Policy—Indiscretions of Third International Leaders*

By ARTHUR B. DARLING

Assistant Professor of History, Yale University

STATEMENTS by Soviet leaders in the last few weeks have repeatedly emphasized the fact that the country is in serious economic straits and have earnestly urged the people to economize in every way possible. Stalin has publicly called upon the Communists to exterminate waste, graft, incompetence and unproductivity of labor. It is in line with those policies that such drastic measures were enacted as the temporary closing of some textile mills in the district of Leningrad by the Supreme Economic Council, the dismissal of surplus workmen and the reduction of the personnel in certain Government offices at Moscow by as much as 30 per cent.

One of the symptoms of the present crisis is a serious congestion of grain and goods in the railroad yards and warehouses, even at this time of the year, owing in part to the scarcity of fuel, but more to the shortage of cars, locomotives and railroad lines. Although industrial production is 40 per cent. greater than in March, 1925, it is still insufficient to meet the demand of the peasantry for manufactured goods. Those who have funds now are crowding into the stores to buy and to hoard goods, especially clothing materials, against the possibility that supplies may run low and the ruble further depreciate in value. The Government has set up a new commission under Dzerzhinsky and Kamenev to combat such buying and to force prices down. It realizes, however, that such measures are makeshifts and that inadequate production and distribution are at the bottom of Russia's economic ills. Not only has the issue of banknotes been suspended, but a further contraction of the paper in circulation in the future has been an-

nounced. The rise of prices is, therefore, not a result of inflation of the currency, but of the increasing scarcity of goods.

With a view to combating the depreciation of the ruble, measures have been adopted to prevent the departure of foreign exchange from the Soviet Union. The Tcheka has been ordered to stop all unlawful imports. Another obstacle has been put in the way of the flow of foreign exchange from the country by raising the cost of visas for the passports of those wishing to emigrate from the Soviet Union to \$150, with an additional \$15 as a forced contribution to the Russian Red Cross. Members of the proletariat, however, are allowed their passports for \$100.

To attract capital, foreign or private, directly into manufacturing, the Government has offered to lease factories (only textile mills being excepted) to individuals or companies for operation on a basis of royalties.

Further evidence of the wish of the Soviet authorities to establish sound financial relations and favorable commercial agreements with foreign powers has been afforded by Litvinov, acting Commissar of Foreign Affairs, in his address to the Central Executive Committee of the Soviet Union on April 24. Speaking of Great Britain, he said:

Despite the hostility of certain members of the Conservative Government, there are now signs that business interests are desirous of extending imperial credits to Russia.

And he described the relations of the Soviet Union with the United States in the following terms:

There is a tendency toward a renewal of friendlier relations, although the American Government declines to change its viewpoint. They insist on

our recognition of the Kerensky debt, but once negotiations begin that point should not present any great difficulty. We have repeatedly stated we are ready to begin negotiations, but their demand that we commit ourselves beforehand seems abnormal. We are anxious for the friendship of the United States, and despite everything, I think, on the whole, things are heading toward a mutual agreement before very long.

On the other hand, when they speak or act as members of the Third International, the Communist leaders do not apparently stop to inquire whether their moves or comments are not likely to antagonize the very parties in England from whom the Soviet Government seeks advances of capital, or whether they are calculated to soften the prejudices of those Americans who oppose recognition of the Soviet Government by the United States. Thus we see the Executive Bureau of the Communist Trade Union International entrust M. Lozovsky with management of a campaign to involve English transport workers and railway men in the approaching coal miners' strike. Or we hear the following remarks of Zinoviev before a Communist conference in Moscow with respect to American labor:

Unlike England, the American labor school is not Fabian nor religious. The leaders there are madly hostile against Communism. They do not represent the philosophic Intelligentsia, but are business leaders, resembling Fascists, ready to fight us with all means.

This Fascist reformism America now exports to Europe, and the European Social Democracy,

especially the German Socialists, undertakes the rôle of salesman. In the German and French labor movements we already witness a poor imitation of the American decadence.

Attempts of Russian émigrés to organize and to launch a campaign against the Bolshevik régime have once more ended in failure. Followers of Miliukov, revolutionary Socialists about Kerensky, and supporters of Grand Duke Cyril all refused to join the recent congress at Paris. Those groups which gathered there united upon Grand Duke Nicholas as their titular leader and agreed to issue a manifesto of their political beliefs. But when they came to the proposal of a permanent committee to carry on the struggle against the Soviet Government, they could not agree. The cleavage was apparently between the former landowners, now in particularly destitute circumstances, who wanted to strike at once for restoration of their property, and the industrial and financial groups, who insisted that the time was not ripe. The congress broke up without designating the committee to direct an attack upon the Soviet Government.

The Holy Synod in Moscow, representing the Soviet branch of the Orthodox Church, has gone one step further in carrying out the religious policies of the Government by decreeing the abolition of monasticism. Members of monastic orders must now adopt some useful pursuit for a livelihood.

NATIONS OF NORTHERN EUROPE

IN the past the Soviet Government has insisted upon separate relations with the individual States on the Baltic Sea, perhaps to forestall the establishment of a Baltic Union which might be directed against Russia. But during the month of April the Commissariat of Foreign Affairs abandoned that policy and opened negotiations for three agreements; a pact with Finland, another with Poland, and a third with Estonia, Latvia and Lithuania together. The Soviet Union might thus have the security of a network of guarantees, meet the inclinations of the Baltic States to form a union and avoid the embarrassment of the strife between Poland and Lithuania over Vilna.

Some Baltic newspapers saw in this move by the Soviet Government an attempt to counterbalance the pacts of Locarno among the States of Western Europe with similar understandings in Eastern Europe. The Soviet Union was seeking, it was said, to protect itself against the League of Nations both by the new treaty with Germany and by these arrangements with the Baltic States. Others looked upon the Russian overture as a definite manoeuvre to estrange the Baltic States from the League. After some delay representatives of Finland, Estonia, Latvia and Poland intimated that they would not consider separate treaties of non-aggression, but would negotiate a single treaty be-

tween the Soviet Government and their four Governments acting in concert. Lithuania, in consequence, was left to make its own arrangements with the Soviet Union.

The commercial agreement negotiated between the United States and Lithuania became operative on March 26, the day upon which the Lithuanian Government notified the United States Government of its ratification by the Seimas, Lithuania's Parliament.

On March 5 the Estonian Parliament passed the law of compensation for lands expropriated from large land owners by the land law of Oct. 10, 1919. Those

former large land owners who are, or will be, proved as active enemies of Estonia in the period from Feb. 24, 1918, the day of the declaration of Estonian independence, until Feb. 2, 1920, the day on which the peace treaty was signed by Estonia and Soviet Russia, can get no compensation for the lands which were taken from them. The rate of compensation is practically that of market prices on Estonian land in 1919. It is to be paid in Government bonds, redeemable in sixty days, bearing 2.66 per cent. interest.

The second Estonian Parliament took recess on March 26, its three-year term ending in May. A. B. D.

[OTHER NATIONS OF EUROPE]

Spain's Declaration of Foreign Policy

*Censorship Vigorously Maintained—Revolutionary Plot in Portugal—
Visit of Swedish Crown Prince and Princess to America—Death of Ellen
Key—The Polar Flight of the Norge*

By JOHN MARTIN VINCENT

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THE foreign policy of the present Spanish Government was recently set forth in an address by the Foreign Minister, Señor Yanguas, before the Academy of Jurisprudence. Referring to the League of Nations, the Minister said: "I openly declare that Spain will accept a new system for the composition of the Council, with equality for all members elected by the Assembly." He attached exceptional importance to the statements of Luther and Stresemann that Germany desires to secure the collaboration of Spain in the Council, because they were aware that Spanish collaboration could be secured only by granting her a permanent seat. Spain also viewed with sympathy Brazil's aspirations to obtain a permanent membership in the Council. In the consideration of changes, he declared, the Government would remain as calm and as firm as it had been during the meeting of the League in March.

As to Tangier the Minister stated that the true interests of that territory were being sacrificed to politics. At present the city is a refuge for rebels and will perish unless included in the Spanish zone. In spite of this situation Spain would stand by her word and cooperate in the application of the international Statute of Tangier.

The Government has decided to erect a tariff wall between the Spanish protectorate in Morocco and the international zone of Tangier. It is predicted that this will be a withering blow to the latter. According to reports from Tangier the Spanish duty of 12½ per cent. will in reality amount to 25 per cent. on goods landing in Tangier, and this customs barrier will have two major results. First, it will drive commerce now entering Morocco via Tangier to enter via the two principal Spanish ports, Larache on the Atlantic Coast and Ceuta on the Mediterranean. Secondly, it will create such an impossible situation in

Tangier itself that the powers which with Spain created it—France and England—will be forced to consent to revision of the Statute of Tangier, which is now operating so unsatisfactorily for the Spanish.

As a third and emphatic point in the address of Señor Yanguas, the relations of Spain with the Americans of both continents were set forth. Spain desired to be helpful to the peoples of its own race and language, but looked upon this as entirely consistent with harmonious relations with those of the North. He hoped that they might find some such basis as that established at Locarno for their international life.

Spanish trade relations were reported to be in vigorous process of reconstruction. Following the denunciation of the commercial treaties with Germany and the United States the treaty with France will now be revised. By French officials this was attributed not so much to retaliation for the 30 per cent. increase in French duties as to an attempt by Spain to protect her industries from foreign competition.

In spite of its achievements, the Government is sensitive to criticism. Not only in Catalonia, but also in Central Spain the censorship of press and persons has been vigorously applied. Late in April Dr. Jimenez de Asua, eminent Spanish penologist and Professor of Penal Law in Madrid University, was exiled to the Chaferine Islands, off Melilla, Morocco, for having "censured the work of the Government and for carrying on a campaign of defamation both within and outside of Spain."

Several students and others were ordered detained for fifteen days for having protested against the appointment of Professor Leon Juan y Garcia to the post held formerly by Professor Unamuno in Salamanca University. At Valladolid, on April 30, a member of the Council of Administration of the newspaper *Norte de Castilla*, Francisco Cossio, received summary orders from the Civil Governor to sail within twenty hours for the Chaferine Islands, where he is to go into exile. The same day at Santander the newspaper *Atalaya* was ordered by the Civil Governor to suspend publication for eight days for having published an article regarding the grazing grounds of the city.

A campaign was started in the Spanish clerical press and by means of meetings to bring pressure on the Government to increase the salaries of the parish priests, which are miserably small. The Primate of Spain urged the Government to fulfill the conditions of the concordat signed some years ago with Rome, but never observed to the letter by either side. The Marquis de Estella stated that the Government could not sanction any new expenditure.

According to *La Nación*, the Government press organ, the authorities had decided that beggary must go.

Portugal

THE boundary line between the Portuguese colony of Angola and the territory of Southwest Africa has remained unsettled ever since the latter was taken from the Germans during the war. Commissions from Portugal and from the Union of South Africa were scheduled to meet in Cape Town in May. The chief question at issue was the use of the waters in the cataract region of the Kunene River. It had been proposed to divert part of these waters into southerly channels and thus restore fertility to large areas of the Kalahari desert. A satisfactory settlement was expected. As to the natives, a compromise will have to be effected, as it appears to be impossible to bring certain tribes wholly under the jurisdiction of one country.

During the first week in April the Government was again alarmed by reports of a revolutionary plot. The police on April 7 surrounded the house of Joaquim Martins, brother of a radical leader recently deported for participation in the anti-Government movement of February. They arrested Martins, several military officers and one civilian, all being accused of holding secret meetings for subversive purposes.

Denmark

THE history of Danish aviation will include the flight from Denmark to Tokio undertaken by Lieutenant Botved. On April 19 word was received that he had left Canton, but had been forced to land near Foochow, some 350 miles from Shang-



THE SCANDINAVIAN MONARCHS

From left to right: King Haakon VII of Norway, King Gustav V of Sweden and King Christian X of Denmark.

—*Karikaturen, Oslo*

hai. On the same day the air routes from Copenhagen to Paris, Amsterdam and London were opened with Fokker machines, which started in the morning for Amsterdam. Enlarged equipment was to be secured in the near future.

Through the American Legation a group of American and Canadian scientists, headed by Professor William H. Hobbs of the University of Michigan, applied for permission from the Danish authorities to use Greenland as a base for attempts to free North Atlantic trade routes from icebergs by exploding them while they are still in Greenland waters.

The Danish explorer, Peter Freuchen, planned to dig himself in 100 miles from the Greenland coast and from that point to advise by wireless his fellow-scientists on climatic disturbances and the movement of inland ice,

Norway

FOR Norway the thrilling event for the month was the voyage of the dirigible airship Norge, in which the explorers Amundsen, Ellsworth and Nobile sailed across the North Pole. On April 10 the Norge departed from Rome. The journey from Italy over France was naturally followed with interest as an early test of the airship's qualities, but the transit from Pulham, England, to the mooring mast at Oslo was a period of intense anticipation and excitement. On April 14 the population was out in masses to welcome the first visit of a dirigible to Norway. The ship was obliged to hasten on within twenty-four hours to the base at Leningrad, which it reached on April 15. However, unfavorable weather conditions prevented the airship from leaving for Spitzbergen before May 5. The Norge reached Kings Bay, Spitsbergen, on the morning of May 7, after flying over the Arctic Ocean from Vadsö, North Norway. On May 11 the Norge set out to cross the top of the world, and at 1 A. P. on May 12 it reached the North Pole, sending out the first radio message ever received from that point. The dirigible was headed for Point Barrow, Alaska.

Norway has been in an advanced position in respect to treaties of arbitration with other countries, and such an agreement with Sweden now includes all kinds of disputes. Similar treaties with Denmark and Finland were negotiated, but are still under discussion. The former caused some hesitation on account of events of a hundred years ago, when Denmark took possession of the old Norwegian dependencies of Iceland, the Farös, and Greenland. In any case a peaceful settlement was anticipated.

Sweden

THE American trip of Crown Prince Gustavus Adolphus and Crown Princess Louise has served to focus Swedish attention on the rapidly growing relations between the two countries. This is the first time a future king and queen have ever

crossed the Atlantic. American citizens of Swedish descent now constitute the largest body of Swedish stock living anywhere outside of Sweden itself.

As announced here, the plans of the royal couple include first a visit to Washington as representatives of Sweden at the



Crown Princess
Louise of Sweden



Crown Prince Gus-
tavus Adolphus of
Sweden

unveiling of the monument to Captain John Ericsson in Potomac Park and then a two months' trip through the country. Besides being heir to the throne, having frequently acted as regent in the absence of his father, Crown Prince Gustavus Adolphus is an archaeologist of distinction, and on his trip, which will circle the globe, he will do research work among the antiquities of China.

The Swedish Parliament rejected on April 28 a bill which would have made the funds supporting the Nobel Prize free from taxation.

A new agricultural enterprise has received the encouragement of the Riksdag through a Government loan fund of about \$4,800,000. This is the so-called "Own Your Own Home" movement, which makes a start in putting people back on the land through the partition of two famous old estates of the Swedish nobility. These are Lundholmen in Smaland and Hoek in Uppland. The Government has further decided to make a general survey of all tillable land with a view to the establishment of small holdings. The crown and church lands will be included in this survey.

A cablegram from Boras, Sweden, on April 13, reported the death of Hjalmar Lundbohm, known as the "King of Lap-

land," friend and counsel of kings, artists, writers, explorers and miners. He was the outstanding Swedish pioneer of the arctic regions, developing iron fields, from which large shipments of ore are now made to various countries.

Ellen Key, the Swedish author, died at her country home on Lake Vettern, Middle Sweden, on Saturday, April 24, at the age of 77. Her literary career covered a period of more than fifty years and was marked by strong originality in her treatment of literary, historical and sociological subjects.

Switzerland

THE political police service was given some anxiety early in April by the report that four of the most important directors of the Third International had entered the country incognito to preside at a meeting of Communist chiefs at Basle. It was further rumored that large subsidies had been sent recently from Moscow to the Swiss Communist leaders. One newspaper charged that during the previous two months more than fifty Soviet agents had entered and resided in Switzerland.

The controversy with Russia over the killing of the Soviet envoy Vorovsky by Maurice Conradi came to an end politically, but continues to reverberate in other ways. A serious incident occurred on April 23, when Theodore Aubert, the Swiss lawyer who was one of the defenders of Conradi, escaped by a hair's breadth assassination by a Communist bullet. M. Aubert was not only one of the counsel for Conradi, but also an active organizer of the entente against the Third International and the Bolsheviki in general. The assassin escaped before the police could be notified.

The International Congress of Esperanto met in Locarno on April 3. As evidence of the lively existence of this language it may be noted that at the opening reunion of the presidents of national societies, addresses were made by such officials from fourteen European countries and Japan.

Federal Judge Ostertag resigned from the Supreme Bench to accept the post of Director of the International Bureau of Intellectual Property.

Turkey Alarmed by Rumored Italian Aggression

American Controversy on Ratification of Lausanne Treaty—Withdrawal of Rockefeller Gift to Egypt—French Bring Large Forces into Syria to Combat Rebellion—Riza Khan Crowned at Teheran

By ALBERT HOWE LYBYER

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THE journey of the Italian dictator, Mussolini, to Tripoli in the middle of April led to rumors of an agreement between Italy and Greece, by which the two countries would jointly make war upon Turkey: Italy would possess herself of Southwestern Asia Minor, and Greece would seize the Smyrna region and Eastern Thrace. It was added that England approved the plan, on condition that the two countries would support fully her claims in the Mosul region. The Italian Government denied the existence of any such compact. Apparently in consequence of these rumors, the Turkish Recruiting Bureau called to the colors young men aged 21 and 22 years, together with all reserves of the ages 23 to 26.

A localized uprising of Kurds was reported. Naif Beg, Chief of the Kurdish tribe Miran, was said to have led 1,500 families into Mesopotamia from Turkish territory, having abandoned twenty villages in the districts of Van and Jezirah-bin-Omar. Reasons for the migration were stated as follows: First, injustice on the part of the Turkish authorities; second, the killing of 2,000 of Naif Beg's people; third, the closing of Kurdish religious schools; fourth, the order to wear hats. The Kurdish chief hoped that by removing to Mesopotamia he might preserve the language, nationality and religion of his people.

In connection with the proposed presentation to the Senate of the United States of America of the American Treaty of Lausanne negotiated in 1923, various groups presented petitions for and against ratification. One hundred and six American residents of Constantinople urged prompt ratification.

One hundred and ten Protestant Episco-

pal Bishops signed a protest against the renewal of relations with Turkey, arguing on the basis of atrocities committed by the Turks and the failure to set off a definite area for the Armenians formerly in Turkey. It was asserted that 100,000 Christian women and girls are held in slavery in Turkey at present, and that ratification of the treaty "would mean that our country assents in silence to these abominations, condones the policy of the present Turkish Government, and disregards its promises and obligations."

Perhaps as a consequence of the Turkish war scare over the intentions of Italy and Greece, distinct progress was reported toward a settlement of the Mosul question as between Britain and Turkey. England was prepared to cede a strip of land some sixty miles long, including mountain pastures used by Kurdish tribes in the Summer. A loan of British funds to be used in the construction of Turkish railways, and other economic concessions, were suggested. In return for this the Turks were at last to agree to the loss of the remainder of the Mosul territory.

It was decided to reduce the number of provinces by fifteen or more, thus cutting down administrative expenses. Five inspectors general will be appointed to cover these districts. Contracts were reported with an Italian firm to raise thirty-nine ships which were sunk in Turkish waters during the Great War. Of these twenty-three were Turkish, nine English and seven French. It is not expected that the ships can be repaired and put into service, but their materials are supposed to be valuable. The salvaging company will work contingently, receiving 10 per cent. or more of the values obtained. Some protest was heard from

French sources, particularly relating to the battleship Bouvet.

Three statues of Mustapha Kemal Pasha are in preparation by the Austrian sculptor, Heinrich Krippel. The first has been finished, and will be set up on Seraglio Point at Constantinople. The Ghazi is shown in civilian clothes and bareheaded. An equestrian statue will be erected at Angora, showing Kemal Pasha in the uniform of a field marshal. The third statue, for Konia, will be a figure twenty-eight feet high, in the same uniform and wearing a steel helmet.

The provisional commercial convention signed on Feb. 18, 1926, by Rear Admiral Mark L. Bristol, American High Commissioner, and Tewfik Rushdi Bey, Turkish Minister of Foreign Affairs, provided that the minimum Turkish tariff should be applied to American goods imported into Turkey up to Aug. 20 of the present year. After that date, should the American Lusanne treaty be not yet ratified, and should no further extension be obtained, American goods will be subject to a 60 per cent. increase of duty.

Egypt

NEGOTIATIONS in regard to the proposed gift by John D. Rockefeller Jr. of \$10,000,000 to Egypt were terminated on April 27 by the withdrawal of the offer. The entire proposal was set forth in the American press on April 9. The sum of \$5,400,000 was to be entrusted to a committee consisting of James H. Breasted, V. Everitt Macy and Raymond B. Fosdick, to be used in the construction of a new Museum Building and a building for an Institute of Archaeological Research. It was suggested that these should be placed on Gezira Island near the end of the Kasr-el-Nil bridge. The museum building after completion was to be turned over to an Egyptian Museum Commission, composed of two Egyptians, of whom one would be permanent chairman, and two members from the scientific and artistic groups in America, England and France, respectively. At the end of thirty years everything should pass into the control of the Egyptian Government without restriction. The balance of \$4,600,000 was to

serve as endowment. The proposal as stated had been modified in an effort to meet objections presented by the Egyptian Government. It was reported that the Director General of Antiquities, the Frenchman M. Lacau, and the Minister of Public Works, Sirry Pasha, were bitterly opposed to the project.

The three Opposition Parties agreed to support 160 Wafd candidates, 42 Liberals and 9 Nationals. Although the elections were set for May 22, it was clear long before that date, because of the number and distribution of unopposed candidacies, that the Opposition group would win decisively in the election.

The budget for the coming year was set at 41,000,000 Egyptian pounds, as against revenue of 38,000,000, the difference to be taken from the surplus. Eight million was to be spent for new work on the railways, irrigation and dams. Some uneasiness was felt because of the low price of cotton.

Syria

ABOUT the middle of April French forces under General Andrea began the previously announced series of operations against the Druses. The first activities were in the neighborhood of Mount Hermon. The attempt was made to capture all armed bands or force them across the Palestinian border, where they would have to give up their arms and accept internment. The French troops then moved toward the Druse Mountain. Their first objective was Sueida. It will be remembered that when the present revolt broke out last August, the French garrison was surrounded in this city. After one or two failures a French column entered the town on Sept. 24. Shortly thereafter the French evacuated and concentrated their forces in Damascus. Sueida was again captured by them on April 25. The Druse forces engaged were estimated at 6,000. They were reported to have suffered heavy losses and abandoned two cannon. It may be conjectured that the Druses, seeing the impossibility of holding the position against far superior forces, fought a rear guard action and retreated to wilder, rougher country. North of the Jebel Druse or Druse Moun-

tain is a region, the Leja, covered with old lava. In its cracks and folds are excellent hiding places and positions for defense. The French plan is stated to be to clear out all armed men, killing or capturing them or forcing them into the desert.

Late in March the representative Council of Alexandretta, meeting as a Constituent Assembly, proclaimed the independence of the region as a separate State and voted a Constitution. The Council asked the High Commissioner to appoint M. Durieux, his delegate at Alexandretta, as President under the new Constitution. This procedure suggests close manipulation on the part of the Mandatory Government. It is in line with the recent understanding at Angora, which promised a measure of autonomy to the Alexandretta region. The local population is largely Turkish, and has suffered greatly in an economic way since becoming separated from its neighbors to the North.

The Council of Alawiye passed a resolution in favor of independence under the French Mandate, with an economic union as regards the rest of Syria. Such incidents show the persistent attempt of the French authority in Syria to build up institutions of government of a sort that can be kept under control, that will allow the inhabitants a considerable participation in their own Government, and that will make for the economic advantage of the Syrians and the French. Such a policy pursued earnestly and energetically two years ago might have averted the present uprising. Whether it will now be possible within a reasonable time to restore order and contentment in Syria can not be known.

Palestine

ORDERS have been issued in Jerusalem with the object of preventing the molestation of tourists. All begging is to stop and guides and shopkeepers are forbidden to solicit patronage by addressing travelers personally.

An agricultural school for Jewish girls was opened on April 7 at Nahalal in the plain of Esdraelon. The buildings are the gift of Canadian Zionist women. There were 1,500 applicants for the sixty places in the school.

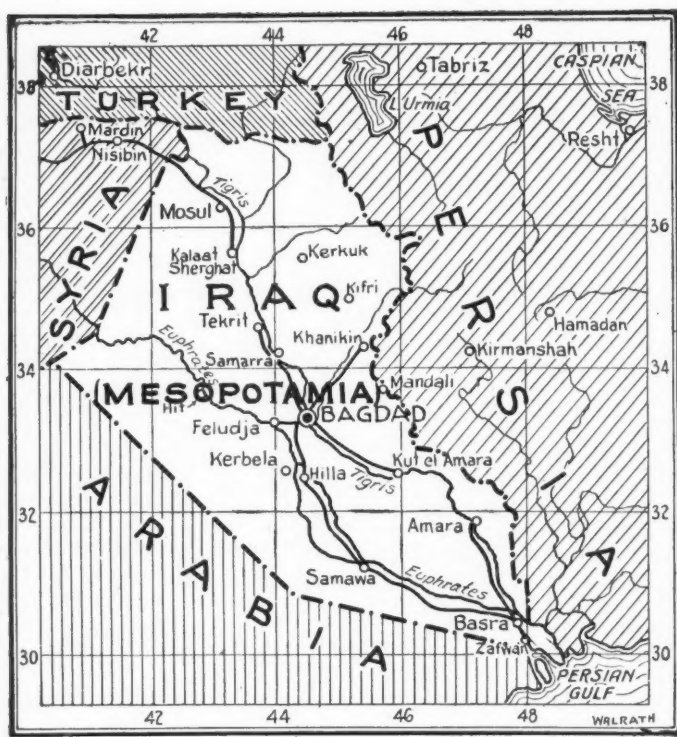
Transjordania

THE Government of Transjordan is in process of transformation into a Principality resembling the Government of Iraq. The administration is to be autonomous, with Emir Abdullah at the head, either under the present title or that of Sultan or King. His position will be hereditary. His Administration will be assisted by a Ministry of his own choice. A British Resident will advise Abdullah and control finances, somewhat as does the American Commissioner in Persia. It will be observed, however, that the Americans are in Persia by the invitation of the Persians, whereas the British Resident will be chosen by Britain. Other Englishmen will remain at Kerak, Jerash and Es-Salt, where the presence of groups of Christians suggests special supervision. The British Government will continue a financial subsidy, on account of the excessive poverty of the greater part of the country and its inhabitants.

Iraq

EARLY in April the Tigris River rose with great rapidity to an extraordinary height. The waters broke through the dike at the northeast of the city, not far from the royal palace. Many huts and small houses were ruined. Other residences were seriously damaged, and some people were drowned. The amount of the damage done was estimated at \$5,000,000. Thousands of men worked at strengthening the dikes and repairing the breach. A considerable lake was formed north of the city. After five or six days of great anxiety the river began to subside.

The English company known as Diala Cotton Plantations was greatly disturbed by the prospect that the Iraq Government would be unable to supply it with sufficient water for the irrigation of its project. The plan contemplates the development of 36,000 acres of cotton with 72,000 acres in other crops, thus providing for a three years' rotation. The concessions permitted the development of one-third of this amount promptly, with the understanding that sufficient water might be taken from the Diala River by an inexpensive installation. The remainder of the land might be



Map of Iraq (Mesopotamia). The territory in dispute between Turkey and Iraq lies to the north and east of the City of Mosul

put under cultivation after the company should build a dam in the river and canals leading from it. The Government now states that during last year, which was exceptionally dry, the flow of water in the river was only about one-third of the estimated amount; therefore the company must either proceed at once to build the proposed dam, or obtain water by pumping from the Tigris River. The financial outlay involved in either project is disturbing to the company.

Persia

RIZA SHAH PAHLAVI was crowned on April 25 in the old palace at Teheran with great display and rejoicing. He declined to use the "peacock throne" or the pearl crown of the Kajar Dynasty. He made use of the simple throne of Nadir Pasha, the eighteenth century conqueror of Persia. The great hall was crowded with the army chiefs, the entire diplomatic corps and various tribal leaders. America

was represented by the Minister to Persia, Mr. Hoffman Phillip, who for the occasion was given the rank of Envoy Extraordinary, and by Brig. Gen. Harry A. Smith, Assistant Chief of Staff of the War Department. The Shah appeared wearing a diamond aigrette of Nadir Pasha and a long gray cape embroidered with pearls. The Province of Azerbaijan had presented a new crown of gold set with diamonds, rubies and emeralds. The Shah placed it upon his own head.

An imaginative correspondent issued a statement which carried Riza Khan as a young man to Petrograd, Constantinople and Paris, and said that he is "a charming conversationalist, a pianist of fine technique, a witty and well-informed

man of affairs, speaking Russian, French and German. But then he comes of aristocratic stock." According to the best information obtainable, this is wholly without foundation. The new Shah is of humble parentage, enjoyed practically no formal education, and rose from a private soldier through the ranks of the army.

A commission appointed by the League of Nations to inquire into the production of opium reached Persia about April 1. It consisted of an American, an Italian and a French delegate, with four assistants.

The sum of \$12,000 was set aside to build a dam in the Jargerood River, north-east of Teheran, thus beginning a plan of water conservation which promised much for the development of Persia. The past Winter had more rain and snow than any in recent years, and it was expected that the grain famine would be ended shortly. The alimentation service under American direction very successfully warded off the worst results of the shortage.

Wu Pei-fu Again Dominating Figure in China

*President Tuan Chijui Deposed—Resignation of Premier Chi Teh-yao—
Customs and Extra-territoriality Conference Suspended—Japanese Bank
Loans to China Taken Over by Imperial Government*

By QUINCY WRIGHT

Professor of Political Science, University of Chicago

THE war which Wu pei-fu and the Manchurian war lord, Chang Tso-lin, waged against the Christian General's Kuo Minchun troops in Peking came to an end for the time being with the evacuation of Peking by the latter on April 15. This was preceded by several aerial bombardments. On April 3, eight bombs were dropped in the Tartar City (northern section of Peking) in an unsuccessful attempt to hit the Kuo Minchun headquarters. Bombing continued for the next few days while the forces of Chang and Wu practically surrounded the city. Although foreign legations and the members of the two international conferences sitting in Peking were endangered, they seem to have escaped trouble.

It was announced on April 5 that the Kuo Minchun army had opened negotiations with Wu looking toward abandonment of Feng. On April 10 the army deposed President Tuan Chi-jui, and released his predecessor Tsao Kun, who is said to have bribed his way into office and who had been in confinement since his arrest upon Feng's advent in Peking in October, 1924. An invitation was then sent to Wu "to restore the political situation in Peking." This coup was accomplished with little bloodshed, since Tuan had lost all popularity. The proclamation of deposition stated that he had done much that was detrimental to the people and the country, especially by signing the gold franc settlement of the French boxer indemnity and by ordering on March 18 the shooting of student demonstrators in front of his palace.

Wu, however, refused to accept the offer and the attack continued with bombardment on April 12, the American scientist and explorer, Dr. Roy Chapman

Andrews, nearly being killed while he was arranging transportation for his fourth expedition into the Gobi Desert. With the withdrawal of the Kuo Minchun army toward Mongolia on April 15, a temporary committee of ten elder statesmen headed by Dr. W. W. Yen, a former Prime Minister, was formed to maintain order. This it did with apparent success, though the legation quarter was swamped with wealthy and prominent Chinese. A Shanghai report of April 21 stated that the Kuo Minchun army massacred 395 of the 400 Cabinet office guards before leaving Peking.

Feng and his army seem to be eliminated for the time being; in fact, Wu has promised to pursue them into Mongolia in order to destroy them together with the Soviet administration which is in control at Urga, Mongolia, thus restoring this province to China.

Ex-President Tuan, who took refuge in a business building in the foreign legation quarter after the coup d'état, issued a statement on April 13 that he had not resigned and that he would not be responsible for mandates issued during his absence from office. On April 17 he was reported to have returned to his office, but as he was dependent upon Feng for support he also was at least temporarily eliminated. Chi Teh-yao, the Prime Minister, resigned on April 17, blaming himself for the coup d'état. Ex-President Tsao Kun seems to have made no effort to regain the Presidency and appears to be discredited.

Chang Tso-lin is reported to have said his whole object in the recent war was "to eradicate Bolshevism in China." As soon as that is accomplished, he said, "I shall withdraw to my own territory north of the

Great Wall and my entire attention henceforth will be devoted to the reconstruction and development of Manchuria along the lines of industry and peace." According to one of the American newspaper correspondents, the rank and file of Chinese regard Chang with suspicion because he is thought to be too near to Japan.

This leaves Wu Pei-fu as the dominating figure in China, and his return to Peking after his defeat by Chang in the fall of 1924 is little less than dramatic. Wu, though conservative, is believed to be patriotic and has many supporters in China. He seems to believe in centralization and stabilization by force as did Yuan Shi-kai, who was President from 1913 and 1916, and with whom he has been compared. Chang, however, is still a force to be reckoned with and Chinese observers anticipate trouble between the late allies. Chang is said to have demanded the retirement of Karakhan, the Russian Ambassador, and to have expelled forty Russian citizens from Mukden for "revolutionary communism." In such actions he undoubtedly has the support of Wu.

Wu, on April 28, appointed General Wang Muan-ching sole ruler of Peking. Public confidence was restored by the prompt execution of a number of looters and announcement of arrangements for honoring paper money forced upon shopkeepers by the troops. There is, however, considerable anxiety as to the consequences in case Chang's Manchurian troops enter the city.

During the war about Peking the commissions on customs and extraterritoriality ceased to function. The latter was about to leave for an inspection of the conditions of judicial administration in various provinces when it was detained by the siege. The condition of Germans in China who lost extraterritorial privileges by the peace treaties is considered a good evidence of the possibility of general abolition of these privileges. It is reported that, though their situation is mitigated by the existence of foreign residential concessions and by the fact that many other foreigners still have extraterritorial status, Germans in China are of the opinion that the change does not affect German trade materially, and that in fact

Germans have now a somewhat favorable position in the eyes of Chinese which offsets disadvantages.

Conditions in Shanghai were looked upon as ominous as the anniversary of the shootings of May 30, 1925, approached. On April 13, the Chinese General Chamber of Commerce called attention to the forthcoming anniversary and to the fact that no adequate settlement had been made. It then demanded (1) racial equality with all foreigners, (2) full civic rights in the foreign settlements of Shanghai and membership in the municipal council in proportion to the amount of taxes paid by the Chinese, (3) immediate and unconditional establishment of mixed courts under Chinese control, and (4) early adjustment to secure China's full sovereign rights and revision of all unequal treaties. Shanghai has been repeatedly flooded with leaflets and posters urging protests against special foreign privileges, and nine Chinese colleges in Central China have combined to offer prizes for the best plan of organization to enforce the boycott of British goods and to extend it to other nations which oppose the aims of Chinese Nationalists.

Strike conditions still troubled Canton. Many persons moved quietly to Hong Kong. Strikers continued to seize foreign goods, and on April 18 strike pickets near Macao, a Portuguese colony, wounded some Portuguese soldiers on garrison duty. The Portuguese protested strongly against this to the authorities of Canton. On April 22 strike pickets attacked and manhandled Commissioner of Customs Haley Bell while he was returning to Shameen, the foreign quarter, because he objected to being searched. He was not seriously injured.

The moderate forces in the Kuo Min-tang (National party of South China) are said to be gaining against the radical wing under Soviet influence and the Young Soldiers' Alliance, a Communist organization, has been converted into a more moderate organization for propagating the ideas of the late Sun Yat-sen.

The Chinese Foundation for Education and Culture created to deal with the remitted balance of the American Boxer Indemnity funds met in Peking during Feb-

ruary with Dr. Paul Monroe of the United States. Among other things the foundation is planning to organize a Chinese Institute in the United States to advise and assist Chinese students, to furnish information about China and to promote research on Chinese subjects. Dr. P. W. Kuo who lectured at the Harris Foundation Institute at the University of Chicago last Summer is to be its first director.

Japan

THE question of the Nishihara loans, made by semi-official Japanese banks to President Tuan Chi-jui in 1919 in spite of popular Chinese opposition, came to the front in April through the disclosure that the bonds recently given by the Chinese Government in payment of principal and interest on part of the loans were unsecured. The payment is said to have been in consideration of Japanese support of abolition of extraterritoriality and customs autonomy. Japan will presumably raise the question in the customs conference and attempt to get the powers to consent to securing the loans by Chinese customs receipts. During the last session of the Japanese Diet the Government took over the loans from the banks.

Chugai, the largest commercial newspaper in Japan, said the plan for enlarging the American air force "must be taken as a manifestation of positive militarism by America rather than as a preparation for national defense." It regrets the move and advises Japan to work quietly toward strengthening its national power and its special position in the Far East.

Henry Morgenthau, former Ambassador to Turkey, who returned recently from a tour of the Far East, says that "Japan is anxious warmly to clasp our hands" and calls attention to the vital importance to Japan and the United States of mutual trade. Last year, he says, we bought 93 per cent of Japan's export silk, 30 per cent. of her grass rugs, 45 per cent. of her camphor, 51 per cent. of her brushes, 38 per cent. of her pottery and 30 per cent. of her toys, while Japan bought from us 88 per cent. of her automobiles, 84 per cent. of her imported lumber, 70 per cent. of her building materials, 50 per cent. of

her petroleum, 50 per cent. of her machinery, 54 per cent. of her leather and 40 per cent. of her wheat. Thus he considers good relations "necessary" for Japan and "desirable" for the United States. From talking with prominent Japanese he was convinced that Japanese policy in Manchuria is confined to economic penetration and that Japan does not covet the Philippines. Prince Tokugawa, President of the Japanese House of Peers and of the American Japan Society, expressed his agreement with Mr. Morgenthau's conclusions, his hope that personal contacts of the type between the two countries might continue, and his conviction that "Japan's future lies in permanent peace," adding that Japan's main endeavor was "to cultivate amicable relations with all nations without discrimination. There is no longer any idea of a Japanese-American war."

Kokusai, Japan's national news agency, has been superseded by the Associated Press of Japan, consisting of eight newspapers with over 75 per cent. of the total newspaper circulation of Japan. These papers are Asahi, Nichi-Nichi, Hochi, Jiji, Kokumin and Chugai of Tokio, and Asahi and Mainichi of Osaka.

Prince Yi Wang, former Emperor of Korea, died in Seoul on April 25. Although Korean patriots declare that he did not assent to the annexation of Korea by Japan in 1910, he accepted annual grants from the latter, as does his heir, Prince Yi Pang, who married a Japanese Princess and resides in Tokio. Public mourning of Koreans for the late Emperor resulted in conflicts with Japanese authorities.

Siam

THE British Minister, R. H. Grey, and the British Consul General, J. F. Johns, were attacked on Feb. 18 by a peasant with a knife in the outskirts of Bangkok. No motive is known and the assailant was arrested.

The Phya Thai Palace of Bangkok has been handed over to the railway administration for conversion to a first-class hotel. It was formally opened with the same name by the new King on Feb. 18.



BY FRANCIS H. SISSON, PROMINENT AMERICAN FINANCIER

THE funding of the French debt to the United States Government was the outstanding fiscal event of the last month, which was replete with interesting financial developments. Among the other noteworthy happenings were the ratification of the Italian and Belgian and lesser debt agreements by the United States Senate, the adoption of a budget by France finally for the current fiscal year, the reduction of the rediscount rate by the New York Federal Reserve Bank, and a brief, but not serious, run on some banks in Cuba. The strike in Great Britain has not had pronounced effect in the financial world up to this writing (a few days after the inauguration of the strike), but the uncertainties of the situation reduced sales on the New York Stock Exchange on May 5 to 658,763 shares, the smallest volume of business since Oct. 29, 1924, and on the same day French and Belgian exchange broke to their lowest levels. There was also slight reaction in some commodity prices. In this connection, it should be remembered that the United Kingdom is by far the largest foreign customer of the United States. Out of total exports from this country in 1925, valued at almost \$5,000,000,000, the United Kingdom took more than \$1,000,000,000 worth, or about 21 per cent.

The reduction of the rediscount rate by the Federal Reserve Bank of New York from 4 to 3 1-2 per cent. on April 22 was a prompt recognition of the further easing that had developed in the money market.

The annual report of the Federal Reserve Board, made public on April 11, outlined the policy which was generally accepted as sounding a warning to those who engage in major speculative operations that future policies will be so shaped as to discourage, through the control exercised by the Reserve Banks and the Reserve Board over discount rates and credits extended to member banks, any tendency toward operations in the stock market that threaten the orderly development of business.

The decision to increase the rate of the New York Reserve Bank to 4 per cent. was, the report stated, withheld until Jan. 8, because there had been no speculation in the commodity markets, despite the upward climb in security values, a

somewhat unusual occurrence, and it was not desired to make credit more costly to this country, thus unbalancing the international situation simply because security loans had reached unusual proportions.

BANK CREDIT TO ENGLAND

Benjamin Strong, Governor of the New York Federal Reserve Bank, appeared before the House Committee on Banking and Currency on April 12 and defended the Federal Reserve System's existence, justified the continuance of the so-called war powers, and told the committee that not only had the system the right to engage in certain foreign transactions to which reference had been made, but that it was good policy to do so. In this way, also, he justified the granting in May, 1925, of a 200,000,000 credit to the Bank of England, of which, he said, nothing has thus far been actually advanced. Governor Strong declared that the system was not created to aid any one industry or class, but to help all alike, and he included in his list of general beneficiaries the producers and consumers, the importers and the exporters. He added that one of the biggest things the system could do was to safeguard our markets abroad by the granting of credits with which our foreign customers could buy American surpluses. Great Britain, he pointed out, was a large buyer of our exports, particularly of cotton, adding that there was no better way for us to maintain our foreign markets than to stabilize the exchange so that the American seller would know the value of the exchange in which he was being paid, and the way also opened for the sale of his products. The \$200,000,000 credit, which was placed at the disposal of the Bank of England for two years from May, 1925, was not to be taken as a precedent, Governor Strong asserted.

U. S. STEEL DIVIDEND

The common stock of the United States Steel Corporation was placed on a regular 7 per cent. annual dividend basis at a meeting of the Board of Directors on April 27. Since the first quarter

Continued on Page xiv.

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Continued from Page xii.

of 1924, the regular rate has been \$5 annually, with \$2 extra. This action was generally believed to indicate that the corporation's directors, who include leaders in both banking and industrial circles, view the business outlook, as a whole, with confidence, notwithstanding the talk that has been heard in many quarters that trade conditions were not as favorable as they might be.

For the first time this year, the Canadian dollar moved to a premium on April 8 in the New York Exchange Market. It was quoted at 1-64 of 1 per cent. above par, as against a discount that had prevailed since the first of this year and that had resulted in a steady shipment of gold from the Dominion to the United States.

GOLD MOVEMENTS

Stocks of specie and bullion in the United States on April 1 approached the record total of December, 1924, according to the monthly report of the United States Treasury Department, issued on April 12. The total of \$4,494,851,095 was the highest for the year and compares with the record total of \$4,570,067,375 in 1924. The total for April 1 was an increase of \$50,059,720 over the total on March 1. The aggregate increase for the first quarter was \$86,155,223. Net imports into the United States during the first three months of 1926 were \$77,460,000. During the first thirty days of March imports of about \$38,500,000 in gold were received from Canada, and their effect was to diminish the discount at which Canadian dollars were selling in the New York market. These imports brought the total gold receipts from Canada for the first quarter to \$66,000,000. On April 19, \$1,000,000 in gold was shipped to Canada, which was the beginning of a movement that was forecast early in April when Canadian exchange advanced to a slight premium. On April 20 the movement of gold from the United States to Canada got under way in earnest, when the shipments for the first three days of the third week in the month amounted to \$5,500,000. The aggregate for the present movement reached \$15,750,000 on April 28.

A shipment of \$2,000,000 in gold left Japan on April 6 for the United States, for the account of the Japanese Government. This was the first gold shipment from Japan this fiscal year, in which, it is said, that country will send \$36,000,000 to the United States, for the payment of Government obligations and for the support of exchange.

SILVER AT LOW PRICE

The price of silver in New York broke to its lowest level in two years on April 16. London quotations were the lowest in more than ten years, principally as a result of pressure origi-

Continued on Page xvi.

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LAST year American investors put into city real estate bonds approximately one billion dollars, which was twice the total investment in such securities for 1923, and twenty times the total for 1919.

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Continued from Page xiv.

nating in China. The situation is traceable to the belief held in many quarters, and particularly in China, that Japan is likely to return to the gold standard some time this year, restoring her exchange to parity with the dollar. This belief has caused large interests in China to sell silver currency and accumulate yen exchange. One of the results on April 16 was the establishment of the highest rate on yen since the period preceding the earthquake of 1923. Silver was quoted in New York on April 16 at 63 7-8 cents per ounce, a decline of almost 5 cents from the present year's high point of 68 5-8 cents recorded on Jan. 4.

SECURITIES MARKET

A temporary decline of from two to seven points in stock market prices and a general weakening of prices for foreign bonds were the principal effects in New York on May 3 of the strike situation in Great Britain.

That the American investors will continue to take an active part in the financing of foreign enterprises for some years to come, and are now extending their interests more and more to industrial investments abroad, as the British and other foreign investors did in the United States in the latter half of the nineteenth century, was pointed out in an analysis of the balance of international payments issued on April 25 by the Department of Commerce. A recapitulation shows that with an average merchandise export surplus of \$690,000,000 by the United States in the last four years the corresponding average of new foreign securities absorbed, after deducting refunding issues, has been \$680,000,000. From this, it is contended, the inference may reasonably be drawn that American investors have been putting the money obtained from export surplus into foreign investments. The total value of foreign securities of all kinds held by American investors at the end of 1925 was \$10,405,000,000, the largest in the nation's history, as compared with \$9,230,000,000 in 1924 and \$8,105,000,000 in 1923. The increase from 1924 to 1925 of \$1,175,000,000 included not only public offerings of \$920,000,000 but also investments and other transactions privately handled. The figures, of course, do not take into account the war-time debts owed to the United States Government, which aggregate more than \$11,000,000,000.

GENERAL CONDITIONS ABROAD

During the past month there developed an easier tone and a better sustained flow of credit in other countries (as well as the United States), with some exceptions. Recently the discount rate of the German Reichsbank was reduced, as was also the discount rate in Belgium. Money became easier in the Scandinavian countries and in Holland. The Norwegian bank rate was reduced. The credit situation and financial prospects in Canada became more gratifying in the last month than in several years.